



Exporter Questionnaire



Case number: 495

Product: Steel reinforcing bar

From: The Republic of Turkey

Investigation period: 1 October 2017 to 30 September 2018

Response due by: Monday 24 December 2018¹

Extended to 14 January 2019

Case manager: Gavin Crooks

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Return completed questionnaire to: investigations3@adcommission.gov.au

Anti-Dumping Commission website: www.adcommission.gov.au

¹ As the actual due date of 23 December 2018 falls on a Sunday, the effective due date is the following business day.

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INSTRUCTIONS

Why you have been asked to fill out this questionnaire?

The Anti-Dumping Commission (the Commission) is conducting a dumping and countervailing investigation into steel reinforcing bar (rebar) exported to Australia from the Republic of Turkey (Turkey).

The Commission will use the information you provide to determine normal values and export prices over the investigation period (the period). This information will determine whether rebar is dumped.

If you do not manufacture the goods

If you play a role in the export of the goods but do not produce or manufacture the goods (for example, you are a trading company, broker, or vendor dealing in the goods), it is important that you forward a copy of this questionnaire to the relevant manufacturers and inform the case manager of the contact details for these manufacturers **immediately**.

The Commission will still require your company to complete this exporter questionnaire except Section G – Cost to make and sell.

What happens if you do not respond to this questionnaire?

You do not have to complete the questionnaire. However, if you do not respond, do not provide all of the information sought, do not provide information within a reasonable time period, or do not allow the Commission to verify the information, we may deem your company to be an uncooperative exporter. In that case the Commission must determine a dumping margin having regard to all relevant information.

Therefore, it is in your interest to provide a complete and accurate response to this exporter questionnaire, capable of verification.

Extension requests

If you require a longer period to complete your response to this exporter questionnaire, you must submit a request to the case manager, outlining the reasons in writing, for an extension to the due date for all or part of the questionnaire. This request must be made prior to the due date. A request for extension will be rejected if received after the due date.

When considering the extension request, the Commission will have regard to:

- the Commission's responsibility to conduct the case in a timely and efficient manner;
- the reasons why you could not provide a response within the whole period and not only the period remaining between the request and the due date;
- ordinary business practices or commercial principles;
- the Commission's understanding of the relevant industry;
- previous correspondence and previous dealings with your company; and
- information provided by other interested parties.

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More information on extensions can be found in the *Customs (Extension of Time and Non-cooperation) Direction 2015* at <https://www.legislation.gov.au/Details/F2015L01736>.

You will be informed of the decision whether your request for an extension has been rejected, granted in full or granted in part. For example, you may be granted an extension to submit all sections except for Section A or you may be granted a shorter extension than you requested.

A summary of any requests and grants of extensions to submit a response to this exporter questionnaire will be published in the public record.

Submitting a response to the exporter questionnaire

Responses to the exporter questionnaire should be lodged by email listed on the cover page. In submitting the response to the exporter questionnaire, you must answer all questions, include all attachments and spreadsheets, and provide a non-confidential version of your response to this exporter questionnaire.

If your response to this exporter questionnaire contains major deficiencies that, in the Commissioner's view, cannot be quickly and easily rectified in a further response, then your company may be deemed as an uncooperative exporter.

Confidential and non-confidential responses

You are required to lodge a confidential version (for official use only) and a non-confidential version (for public record) of your response to this exporter questionnaire by the due date. Please ensure that *each page* of information you provide is clearly marked either "FOR OFFICIAL USE ONLY" or "PUBLIC RECORD".

All information provided to the Commission in confidence will be treated accordingly. The non-confidential version of your submission will be placed on the public record, and must contain sufficient detail to allow a reasonable understanding of the substance of the information, but does not breach confidentiality nor adversely affect those interests.

A person is not required to provide a summary for the public record if the Commission can be satisfied that no such summary can be given that would allow a reasonable understanding of the substance of the information.

All submissions are required to have a bracketed explanation of deleted or blacked out information for the non-confidential version of the submission. An example of a statement to accompany deleted/blacked out text is:

[Explanation of cost allocation through the divisions, by reference to machine hours or weight].

If such an explanation is not provided, the Commission may disregard the information in the submission. Where the public record version of your response to the exporter questionnaire does not contain sufficient detail, your company may be deemed to have significantly impeded the case and be deemed an uncooperative exporter.

Verification of the information that you supply

The Commission may wish to conduct a visit to your company to verify your questionnaire response for completeness, relevance and accuracy of the information to your company's records.

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The verification visit is not meant to be a chance for you to provide new or additional information. The Commission expects your response to the questionnaire to be relevant, complete and accurate.

Any verification visit typically commences approximately 2 to 4 weeks after the due date of the response to the exporter questionnaire. To assist with planning of a verification visit, please contact the case manager as soon as possible for a potential verification date to be scheduled.

Verification is usually conducted over 4 days. However, in complex cases, a verification visit may be scheduled over 5 days. A verification visit will include a detailed examination of your company's records and we will collect copies of relevant documents. The verification will require the participation of key staff, including your financial accountant, production manager and sales staff. A tour of the manufacturing facility may also be required during the verification visit.

Note that the Commission may disregard any data or information that is not verified, including new or additional information provided after the verification visit.

A report will be prepared following the verification visit, which details the outcomes of the visit. This report will be placed on the public record and may include the publication of the preliminarily-assessed dumping margin. The Commission considers that the dumping margin is not confidential information, but rather an aggregate figure derived from confidential data.

You will be provided with an opportunity to comment on the accuracy and confidentiality of the verification report prior to its publication on the public record.

The Commission may elect to undertake an alternative verification methodology than an on-site verification to satisfy itself of the completeness, relevance and accuracy of the data.

For information on the Commission's verification procedures, refer to Anti-Dumping Notice No. 2016/30 available on the Commission's website.

Important instructions for preparing your response

- All questions in this exporter questionnaire must be completed. If a question is not applicable to your situation, please answer the question with "Not Applicable" and provide an explanation as to why.
- All questions must be answered in English. An English translation must be provided for documents not originally in English.
- Clearly identify all units of measurement (e.g. KG) and currencies (e.g. AUD) used. Apply the same measurement consistently throughout your response to the questionnaire.
- Label all attachments to your response according to the section of the questionnaire it relates to (e.g. label the chart of accounts as Attachment A-5.6)
- The data must be created as spreadsheet files in Microsoft Excel.
- If you have used formulas to complete spreadsheets, these formulas must be retained and not hard-coded.
- You must retain all worksheets used in answering the questionnaire. Be prepared to provide these worksheets during the Commission's verification of your data.

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- If you cannot present electronic data in the requested format contact the case officer as soon as possible.
- Where possible, electronic data should be emailed or shared with the Commission via SIGBOX, a secure online document repository. Please contact the case manager to request access to SIGBOX if required.

CHECKLIST

This section is an aid to ensure that you have completed all sections of this questionnaire.

Section	Please tick if you have responded to all questions
Section A – Company Information	<input checked="" type="checkbox"/>
Section B – Export Sales to Australia	<input checked="" type="checkbox"/>
Section C – Exported Goods and Like Goods	<input checked="" type="checkbox"/>
Section D – Domestic Sales	<input checked="" type="checkbox"/>
Section E – Due Allowance	<input checked="" type="checkbox"/>
Section F – Third Country Sales	<input checked="" type="checkbox"/>
Section G – Cost to Make and Sell	<input checked="" type="checkbox"/>
Section H - Countervailing	<input checked="" type="checkbox"/>
Exporter's declaration	<input checked="" type="checkbox"/>
Non-confidential version of this response	<input checked="" type="checkbox"/>

Attachments	Please tick if you have provided spreadsheet
B-2 Australian sales	<input checked="" type="checkbox"/>
B-4 Upwards sales	<input checked="" type="checkbox"/>
B-5 Upwards selling expenses	<input checked="" type="checkbox"/>
D-2 Domestic sales	<input checked="" type="checkbox"/>
F-2 Third country sales	<input checked="" type="checkbox"/>

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G-3 Domestic CTM	<input checked="" type="checkbox"/>
G-4.1 SG&A listing	<input checked="" type="checkbox"/>
G-4.2 Dom SG&A calculation	<input checked="" type="checkbox"/>
G-5 Australian CTM	<input checked="" type="checkbox"/>
G-7.2 Raw material CTM	<input checked="" type="checkbox"/>
G-7.4 Raw material purchases	<input checked="" type="checkbox"/>
G-8 Upwards costs	<input checked="" type="checkbox"/>
H-1 Company Turnover	<input checked="" type="checkbox"/>
H-2 Raw Material Purchases (if required)	<input checked="" type="checkbox"/>
H-3 Income Tax	<input checked="" type="checkbox"/>
H-4 Grants	N/A

GOODS UNDER CONSIDERATION / GOODS SUBJECT TO ANTI-DUMPING MEASURES

The goods under consideration (the goods) i.e. the goods exported to Australia, that are allegedly dumped and subsidised, are:

The goods are hot-rolled deformed steel reinforcing bar whether or not in coil form, commonly identified as rebar or debar, in various diameters up to and including 50 millimetres, containing indentations, ribs, grooves or other deformations produced during the rolling process. The goods include all steel reinforcing bar meeting the above description regardless of the particular grade, alloy content or coating. Goods excluded from this application are plain round bar, stainless steel and reinforcing mesh.

Proposed Model Control Code Structure

As announced in ADN No. 2018/128 published on 9 August 2018, the Commission has commenced using a model control code (MCC) structure in relation to applications received for the publication of a dumping duty and countervailing duty notice.

The Commission will undertake model matching using the proposed MCC structure outlined at Appendix 1 to this notice in order to identify key characteristics that will be used to match models of the goods exported to Australia and like goods sold domestically in the country of export. The proposed MCC structure is based on information received from the applicant and any other information the Commission considers relevant. The MCC structure shall be applied in responses to questionnaires provided by exporters.

Proposals to modify the MCC structure should be raised as soon as is practicable, but no later than the time the responses to the questionnaires are due (24 December 2018) and placed on the public record prior to any verification, otherwise the response may be deemed deficient.

Interested parties are encouraged to make submissions on whether proposed modifications to the MCC structure should be accepted by the Commission. Any changes to the MCC structure will be considered by the Commission and reported in either verification reports or in the SEF.

Full guidance regarding the Commission's application of MCC structure is provided at ADN No. 2018/128 on the Commission's website at www.adcommission.gov.au.

Model Control Codes

Details of the MCC structure for the goods are detailed in the table below. Export sales data (Section B-2), domestic sales data (Section D-2) and cost to make and sell data (Section G-3, G-4 and G-5) submitted in this response must follow this MCC structure. At a minimum, the data must report sales and cost data separately for each of the mandatory MCC categories identified by the Commission.

The Commission proposes to apply the following MCC structure in relation to *Investigation No.495*, regarding exports of rebar to Australia from Turkey.

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Item	Category	Sub-category	Identifier	Sales data	Cost data	Key category
1	Prime	Prime	P	Mandatory	Optional	Yes
		Non-Prime	N			
2	Minimum yield strength specified by product standard (Mega Pascals or “MPa”)	Less than or equal to 300	A	Mandatory	Mandatory	No
		Greater than 300 but less than or equal to 480	B			
		Greater than 480 but less than 550	C			
		Equal to or greater than 550	D			
3	Finished form	Rebar in length/straight	S	Mandatory	Mandatory	No
		Rebar in coil	C			
4	Nominal diameter (millimetres or “mm”)	less than 12	A	Mandatory	Optional	No
		Greater than or equal to 12 and less than or equal to 16	B			
		Greater than 16 and less than or equal to 32	C			
		Greater than 32	D			
5	Length (metres or “m”)	less than or equal to 6	1	Mandatory	Optional	No
		Greater than 6 and less than or equal to 12	2			
		Greater than 12	3			
		Coil product	C			

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As an example of how goods will be classified using this MCC structure, prime rebar of 500 MPa, in straight form, with a diameter of 12 mm, and a length of 10 metres, would receive the MCC PCSB2.

The MCCs will be used to model match export models to the identical or comparable domestic models. In addition, the MCCs will be used to determine the profitability of domestic sales in the ordinary course of trade test by comparing domestic selling prices to the corresponding cost to make and sell. The MCC may also be used to compare the export price to the cost to make the exported model as part of the constructed normal value.

If there are models manufactured and sold by your company that do not align within the MCC structure above, this should be raised by lodging a submission with the Commission as soon as is practicable, but no later than the time this questionnaire is due, otherwise the response may be deemed deficient.

With regard to the MCCs, Habaş has these comments.

Habaş's financial accounting cost methodology [CONFIDENTIAL TEXT DELETED – cost accounting methods].

With respect to the MCC for yield strength differences, these are imparted by minor variations in the quenching process which are not separately costed. They are marginal at best and are not susceptible to the same financial reconstruction as can be done for rolling times.

[CONFIDENTIAL TEXT DELETED – sales, price and specification information]

On that basis Habaş sees no reason to differentiate between the MCC's B and C in the yield strength category of the MCCs for like goods comparison.

SECTION A

COMPANY INFORMATION

A-1 Company representative and location

1. Please nominate a contact person within your company:

Name:	Filiz Haseski
Position in the company:	Deputy General Manager
Telephone:	[CONFIDENTIAL TEXT DELETED – number]
E-mail address	Filiz.Haseski@Habaş.com.tr

2. If you have appointed a representative, provide the their contact details:

Name:	Daniel Moulis
Position in the company:	Partner Director, Moulis Legal
Telephone:	(+612) 6163 1000
E-mail address:	daniel.moulis@moulislegal.com
All communications in relation to this matter should be directed to Moulis Legal in the first instance.	

In nominating a representative, you are granting authority to the Commission to discuss matters relating to the case with the nominated representative, including your company's confidential information.

3. Please provide the location of the where the company's financial records are held.

Habaş keeps all financial records at its head office. Habaş's head office is located at Soganlık in Istanbul, Turkey. The address is Soğanlık, Fuat Paşa Sokak, No:26, Kartal-Istanbul.

4. Please provide the location of the where the company's production records are held.

Habaş produces all of the product concerned at its plant in Aliaga, Turkey, which is located near Izmir, in the Aegean region of the country. Production records are held at the steel plant in Izmir.

The address of the plant is: Yeni Foca Yolu üzeri, Aliğa/İzmir, Turkey.

A-2 Company information

1. What is the legal name of your business?

HABAŞ SİNAİ VE TIBBİ GAZLAR İSTİHSAL ENDÜSTRİSİ A.Ş.

2. Does your company trade under a different name and/or brand? If yes, provide details.

Not applicable, in that it does not trade under a different name/brand.

3. Was your company ever known by a different legal and/or trading name? If yes, provide details.

Not applicable,

4. Provide a list of your current board of directors and any changes in the last two years.

Please see Exhibit A-2-4 [CONFIDENTIAL EXHIBIT] for the current list of Habaş board members. There has been no change to this list in the last two years. [CONFIDENTIAL TEXT DELETED – information about directors]

5. Is your company part of a group (e.g. parent company with subsidiaries, common ownership, joint-ventures)? If yes, provide:

- (a) A diagram showing the complete ownership structure; and
- (b) A list of all related companies and its functions

Please see Exhibit A-2-5-1 [CONFIDENTIAL EXHIBIT] for an organization chart of the Habaş group of companies. Habaş is the parent company. The group of

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companies is primarily involved in industrial gas and steel manufacturing, shipping, banking, finance, and automotive.

Please see Exhibit A-2-5-2 [CONFIDENTIAL EXHIBIT] for a listing of the Habaş group companies and their addresses, contact details, activities and a brief description of their relationship with other companies in the group. [CONFIDENTIAL TEXT DELETED – ownership of group companies].

Please see Exhibit A-2-5-3 [CONFIDENTIAL EXHIBIT] for shareholder lists of all the Habaş group companies.

6. Is your company or parent company publicly listed?

If yes, please provide:

- (a) The stock exchange where it is listed; and
- (b) Any principle shareholders²

If no, please provide:

- (a) A list of all principal shareholders and the shareholding percentages.

Habaş is not publicly listed. It is a privately owned Turkish corporation.

Please see Exhibit A-2-4 [CONFIDENTIAL EXHIBIT] for all principal shareholder and percentages.

7. What is the overall nature of your company's business? Include details of the products that your company manufacture and sell and the market your company sells into.

Habaş is a privately owned Turkish corporation. It is principally engaged in manufacture, distribution, and sale of steel products, industrial gas and electricity power. The company has approximately 1,700 employees. Habaş's head office is located at Soganlık in Istanbul, Turkey.

From an operational standpoint, Habaş is divided into three business segments, namely, industrial gas, HRC and long products (rebar and wire rod). Each operates as a separate business unit with its own sales network and management. Certain functions such as accounting, IT, legal, human resources, etc. are however commonly operated for the business units by central departments.

Brief descriptions of the business segments are as follows:

² Principal shareholders are those who are able to cast, or control the casting of, 5% or more of the maximum amount of votes that could be cast at a general meeting of your company.

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- **Industrial Gas - Habaş's industrial gas division is involved in the production, distribution and sale of oxygen, nitrogen, argon and other industrial gases, along with tubes and gas containers generally used in medical treatment and industrial manufacturing. The company has gas-filling operations in several locations across Turkey.**
- **Steel - Habaş's steel division manufactures and sells steel billets, reinforcing bars and wire rod to world markets. In its steel plant in Western Turkey near Izmir, Habaş operates a steel melt shop. Also in the same location Habaş operates three bar mills, a wire rod mill, and a hot rolling mill. In order to transport finished products to export locations and to facilitate receiving incoming raw material cargoes, Habaş operates a port about 4 miles away from the steel plant. The steel plant has been operating since 1987.**
- **HRC – this division of Habaş manufactures and sells slabs and hot rolled coil.**
- **Electricity - in 2002 and 2004, Habaş started operating two power plants: one near Izmir, the other one near Bilecik. [CONFIDENTIAL TEXT DELETED – corporate/commercial strategy].**

8. If your business does not perform all of the following functions in relation to the goods under consideration, then please provide names and addresses of the companies which perform each function:

- (a) produce or manufacture;
- (b) sell in the domestic market;
- (c) export to Australia; and
- (d) export to countries other than Australia.

Habaş is the producer of the goods under consideration and sells the subject merchandise both in the domestic market and for export. Habaş exports the goods under consideration to many countries, including Australia.

9. Provide your company's internal organisation chart.

Please see Exhibit A-2-9 [CONFIDENTIAL EXHIBIT] for Habaş's internal organization chart.

10. Describe the functions performed by each group within the organisation.

An operations chart showing operations and the responsibilities of functional groups are provided in Exhibit A-2.9 [CONFIDENTIAL EXHIBIT].

Habaş's operations are structured by function. The major divisions that are involved in the sale and manufacturing of the subject merchandise are the steel production, accounting, domestic sales, financing and import and domestic procurement departments.

11. Does your company produce brochures, pamphlets or other promotional material? If yes, please provide them.

Please see Exhibit A-2-11 for the Habaş company brochure.

A-4 General accounting information

1. What is your financial accounting period?

Habaş's financial accounting period is the calendar year.

2. Are your financial accounts audited? If yes, who is the auditor?

Statutory financial statements are prepared in line with Turkish GAAP. Statutory books are audited and approved by sworn certified public accountants before submitting tax returns.

Habaş's certified public accountant is [CONFIDENTIAL TEXT DELETED – service provider].

3. What currency are your accounts kept in?

Habaş keeps its accounts in Turkish Lira.

4. What is the name of your financial accounting system?

Habaş uses [CONFIDENTIAL TEXT DELETED – proprietary system] for its financial accounting system. [CONFIDENTIAL TEXT DELETED – proprietary system] this

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software allows Habaş to monitor the trial balance, sub-ledgers, and journal vouchers.

5. What is the name of your sales system?

[CONFIDENTIAL TEXT DELETED – proprietary system] is used for Habaş’s sales system. This system is [CONFIDENTIAL TEXT DELETED – proprietary system].

6. What is the name of your production system?

Habaş’s accounting system for production records is also [CONFIDENTIAL TEXT DELETED – proprietary system].

7. If your financial accounting, sales and production systems are different, how do the systems interact? Is it electronically or manual? Please provide a detailed explanation and include diagrams.

[CONFIDENTIAL TEXT DELETED – proprietary system]. The manner of cost accounting by Habaş is explained in Section G.

8. Do your accounting practices differ in any way from the generally accepted accounting principles in your country? If yes, please provide details.

Habaş’s financial accounting practices are in accordance with Turkish GAAP as prescribed by the Ministry of Finance for tax accounting (“VUK”: tax procedure law).

9. Have there been any changes to your accounting practices and/or policies over the last two years? If yes, please provide details.

Not applicable, in that there have been no changes.

A-5 Financial Documents

1. Please provide the two most recently completed annual reports and/or financial statements for your company and any other related companies involved in the production and sale of the goods.

The audited financial statements for calendar 2016 and 2017 are provided in Exhibit A-5.1 [CONFIDENTIAL EXHIBIT]. These are incorporated as part of the tax returns that must be submitted by Habaş to the Turkish government on a quarterly basis.

2. If the financial statements in A-5.1 are unaudited, provide for each company:
 - (a) the tax returns relating to the same period; and
 - (b) reconciliation of the revenue, cost of goods sold, and net profit before tax between the financial statements and tax returns.

As noted above, Habaş's financial statements are prepared in accordance with Turkish GAAP and are audited and approved by sworn certified public accountants before being submitted as part of Habaş's tax returns.

3. Does your company maintain different profit centres? If yes, provide profit and loss statements for the profit centre that the goods falls into for:
 - (a) the most recent financial year; and
 - (b) the period.

Please refer to Exhibit A-5-3 [CONFIDENTIAL EXHIBIT] for Habaş's steel cost centre trial balances for the investigation period.

4. If the period is different to your financial period, please provide:
 - (a) Income statements directly from your accounting information system covering the most recent financial period and the period; or
 - (b) Quarterly or half yearly income statements directly from your accounting system covering the most recent financial period and the period.

Habaş provides a relevant income statement that includes a data set for the investigation period in Exhibit-A-5.4 [CONFIDENTIAL EXHIBIT].

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5. Please provide a copy of your company's trial balance covering the most recent financial year.

Habaş provides the trial balances for 2017 and for the first three quarters of 2018 in Exhibit A-5-5 [CONFIDENTIAL EXHIBIT].

6. Please provide your company's chart of accounts

Please see Exhibit A-5-6 [CONFIDENTIAL EXHIBIT] for Habaş's chart of accounts.

If any of the documents are not in English, please provide a complete translation of the documents.

SECTION B

EXPORT SALES TO AUSTRALIA

B-1 Australian export sales process

1. Provide details (and diagrams if appropriate) of the export sales process of your company and any entities (e.g. agents) including:
 - (a) Marketing and advertising activities
 - (b) Price determination and/or negotiation process
 - (c) Order placement process
 - (d) Order fulfilment process and lead time
 - (e) Delivery terms and process
 - (f) Invoicing process
 - (g) Payment terms and process

Prices are driven by various factors including raw material costs and market conditions. Prices do not vary by channel or customer category. Habaş reconsiders its prices on an almost daily basis by taking into account scrap and other cost changes, as well as demand and market conditions in Turkey and abroad.

Generally, a customer will approach Habaş with a price inquiry on which quantity, quality, sizes, payment terms, shipment requirements, and latest acceptable shipment date are specified. Habaş will respond to the customer's inquiry and state whether any of the conditions cannot be met. After some discussion, usually by telephone, revisions may be made and agreed to, if necessary.

Habaş then confirms the sale in written form by preparing a contract to be signed by both parties. Once the contract has been signed, the export department will issue an internal order number and notify the production-planning department, either orally or in writing, to include the new order in the production plan.

Sales to Australia are made [CONFIDENTIAL TEXT DELETED – sales terms].

Approximately one or two weeks before scheduled date of shipment, logistics personnel within the export department begin looking for suitable vessels for the order ([CONFIDENTIAL TEXT DELETED – sales terms]).

Once the vessel is fully loaded, the bank documents (commercial invoice, bill of lading, and other documents required as per the agreement with the customer) are transferred to the customer through banking channels and payment is finalised.

Habaş sold the subject merchandise to Australia in the period [CONFIDENTIAL TEXT DELETED – sales terms].

[CONFIDENTIAL TEXT DELETED – sales terms and logistics].

As part of the sales transactions Habaş is also responsible for providing a mill test certificate to the customer, as proof that the merchandise has been produced in conformity with Australian standards. [CONFIDENTIAL TEXT DELETED – product certification details].

Habaş does not have any institutional presence in Australia or in any other foreign countries. All sales to Australia are made to unaffiliated customers on an export price basis.

Merchandise sold to Australia is generally manufactured to order.

2. In what currency do you invoice your Australian customers? If it is not in your local currency:

(a) Do your customers pay you into a foreign currency denominated account? If yes, provide details;

Customers pay Habaş in [CONFIDENTIAL TEXT DELETED – currency of sales]. Sales to Australia are made [CONFIDENTIAL TEXT DELETED – sales and manner of payment].

(b) Do you use forward contracts to lock in the foreign exchange rate relating to the export sales? If yes, provide details;

[CONFIDENTIAL TEXT DELETED – details of forward contracts].

(c) How is the exchange rate determined and how often is it updated in your accounting system?

Habaş uses the Central Bank of Turkey's official USD/TRY buying exchange rate in its accounting system.

3. Are there any Australian customers related to your company? If yes, please provide a list of each related customer and provide details on how the selling price is set.

Not applicable, in that there are no related Australian customers.

4. If sales are in accordance with price lists or price extras list, provide copies of these lists.

PUBLIC RECORD

[CONFIDENTIAL TEXT DELETED – information re price lists].

5. Do your export selling prices vary according to the distribution channel identified? If yes, provide details. Real differences in trade levels are characterised by consistent and distinct differences in functions and prices.

Not applicable, in that Habaş does not have established or different distribution channels for Australian sales. All sales to Australia were made through the same channel of distribution described above.

6. Did you provide on-invoice discounts and/or off-invoice rebates to any Australian customer or an associate of the customer in relation to the sale of the goods during the period? If yes, provide a description and explain the terms and conditions that must be met by the customer to obtain the discount.

[CONFIDENTIAL TEXT DELETED – information re rebates].

7. Did you issue any credit or debit notes (directly or indirectly) to the customer or associate of the customer in relation to the sale of the goods during the period? If yes, provide details of the credit/debit notes including the reasons the credit/debit notes were issued.

[CONFIDENTIAL TEXT DELETED – information re credit notes].

8. The invoice date will normally be taken to be the date of sale. If you are making a claim that a different date should be taken as the date of sale:

(a) What date are you claiming as the date of sale?

Habaş claims the date of sale of Habaş's exports as being the date of contract. This is the date recorded from [CONFIDENTIAL TEXT DELETED – proprietary system] in Date of Sale [5] of Exhibit B-2-1 [CONFIDENTIAL EXHIBIT].

(b) Why does this date best reflect the material terms of sale?

The date of contract is the date upon which the price for the sale of the subject goods is set. It is in compliance with the WTO Anti-Dumping Agreement rule that "normally, the date of sale would be the date of contract, purchase order, order confirmation, or invoice, whichever establishes the material terms of sale".

Working out whether there is price discrimination between markets involves an inquiry into the behaviour of a seller who decides to make a sale at a certain price into one market, at the same time as the seller decides to make a sale at a certain price into another market. The date of Habaş's commitment to the price and other material terms is the contract date, being the date that the material terms of the sale were thereby established.

B-2 Australian sales listing

1. Complete the worksheet named "B-2 Australian sales"
 - This worksheet lists all export sales (i.e. transaction by transaction) to Australia of the goods invoiced within the period.
 - If you have claimed in B-1.8 that the date of sale is one other than the invoice date, then add the sales within your claimed date of sale.
 - You must provide this list in electronic format using the template provided.
 - If you have used formulas to complete this worksheet, these formulas must be retained.
 - If there are any direct selling expenses incurred in respect of the exports to Australia not listed in the spreadsheet, add a column. For example, if the delivery terms make you responsible for arrival of the goods at an agreed point within Australia (e.g. delivered duty paid), insert additional columns in the spreadsheet for all other costs incurred.

Please refer to Exhibit B-2.1 [CONFIDENTIAL EXHIBIT] for the requested Australian sales listing in the required format.

Habaş has added some additional columns in the sales listing to collect greater detail as follows:

- **SEQ [1.1]** - Habaş has added this column to refer to the sequence number in the original data.
- **Quantity (Actual) [10.1]** - [CONFIDENTIAL TEXT DELETED – information re sales weight].
- **Unit Gross Invoice Value (Theoretical) [12.1]** - Habaş reports the unit price (\$/MT) in the commercial invoice in this field.
- **Unit Gross Invoice Value (Actual) [12.2]** - Habaş reports the unit price which is Gross Invoice Value [12] divided by actual quantity [10.1] in this field.
- **Unit Net Invoice Value (Actual) [16.2]** - Habaş reports the unit net invoice value which is Net Invoice Value (Theoretical) [16] divided by Quantity (Actual) [10.1] in this field.

- **Other costs (Bank Charges) [29] - Habaş has reported bank charges on an actual basis.**
- **Other costs [CONFIDENTIAL TEXT DELETED – other export costs].**
- **Duty Drawback TL and TL/Ton [30] and [30.1] – Habaş is exempt from duties on imported materials used in the production of the subject goods for export and the amounts are reported in this field.**

Please see Exhibit B-2.a [CONFIDENTIAL EXHIBIT] for a list of the expenses reported in the B-2 Australian sales listing and their respective account codes.

2. Provide a table listing the source of the data for each column in the export sales listing (B-2.1).

Please refer to Exhibit B-2.b [CONFIDENTIAL EXHIBIT] for the source of the data for each column in the export sales listing. Fields which are not reported are shown as "N/A".

B-3 Sample export documents

1. Select the two largest invoices by value and provide the following documentation:
 - Contracts
 - Purchase order and order confirmation
 - Commercial invoice and packing list
 - Proof of payment and accounts receivable ledger
 - Documents showing bank charges
 - Invoices for inland transport
 - Invoices for port handling and other export charges
 - Bill of lading
 - Invoices for ocean freight and marine insurance (if applicable)
 - Country of origin certificates (if applicable)

If the documents are not in English, please provide a translation of the documents.

Please see Exhibit B-3.1 [CONFIDENTIAL EXHIBIT], which comprises the documents requested for the two largest invoices by value ([CONFIDENTIAL TEXT DELETED – number] and [CONFIDENTIAL TEXT DELETED – number]).

[CONFIDENTIAL TEXT DELETED – sales terms].

2. For each document, please annotate the documents or provide a table reconciling the details in the export listing (in B-2) to the source documents (in B-3.1).

Each document is typed based on its category listed above. Habaş also underlines which field in the sales listing it supports. Also, relevant parts referencing B-2 are marked on the sales documents.

B-4 Reconciliation of sales to financial accounts

1. Please complete the worksheet named “B-4 Upwards sales” to demonstrate that the sales listing in B-2, D-2 and F-2 are complete.
 - You must provide this list in electronic format using the template provided.
 - Please use the currency that your accounts are kept in.
 - If you have used formulas to complete this worksheet, these formulas must be retained.

Please see Exhibit B-4 Upwards Sales [CONFIDENTIAL EXHIBIT] as requested.

Habaş advises as follows:

- "TL" has been reported ("Value (TL)" column) to reconcile this worksheet directly to the P&L accounts.
- Habaş has added [CONFIDENTIAL TEXT DELETED – sales breakdown] as subtotals of "Goods Under Consideration" to show the subject merchandise total quantity (MT) and Value (TL) during the period.
- Non-subject product columns have been added (Billet, Wire Rod, Slag, HRC, Plain Bar, Other Products) as sold in both domestic and export market to show all non-subject merchandise under the "Other Products" line.
- Each item is tied to its source of document/data in the "Source Document" column. Habaş explains the source of documents as follows:
 - Trial Balance - this source directly shows all domestic and export income accounts related to the steel cost centre so that all sales in Exhibit B-4 [CONFIDENTIAL EXHIBIT] directly tie to the total value (TL) in the Trial Balance source. Please see Exhibit B-4-2 Trial Balance of [CONFIDENTIAL TEXT DELETED – number] Accounts [CONFIDENTIAL

EXHIBIT] which ties to the total value of [CONFIDENTIAL TEXT DELETED – number] TL (Revenue in Income Statement).

- **Accounting Export List - this data shows all export amounts and quantities in terms of customs exit declaration no, country, production type, quantity (MT) and Amount (TL). This data directly ties to the P&L accounts of Habaş in terms of export sales to all countries.**
- **[CONFIDENTIAL TEXT DELETED – proprietary system] - Habaş uses this database to capture all subject and non-subject merchandises sold during the period in both domestic and export markets.**
- **Billing Adjustments - Habaş provides Exhibit B-4-1.b Returns and Billing Adjustments [CONFIDENTIAL EXHIBIT] to show all billing adjustments and returns related to the subject goods in the B-4-1.a Upwards Sales table.**
- **Habaş has also added a “Value ([CONFIDENTIAL TEXT DELETED – currency])” column in Exhibit B-4-1.a [CONFIDENTIAL EXHIBIT] to reconcile [CONFIDENTIAL TEXT DELETED – currency] values in Exhibit B-2-1 Australian Sales [CONFIDENTIAL EXHIBIT].**

2. Please provide all documents (e.g. general ledgers, trial balances), other than those in A-5, B-2 and D-2, required to complete the “Upwards sales” worksheet. If the documents include spreadsheets, all formulas used must be retained.

Please see Exhibit B-4-2 Reconciliation Document for the Trial Balance of [CONFIDENTIAL TEXT DELETED – number] Accounts [CONFIDENTIAL EXHIBIT] that ties to total value of [CONFIDENTIAL TEXT DELETED – number] TL (Revenue in Income Statement).

3. For any amount in the “Upwards sales” worksheet that is hard coded (i.e. not a formula), please cross-reference by providing:
- the name of the source document, including the relevant page number, in column F of the worksheet; and
 - highlight or annotate the amount shown in the source document.

As explained above, Habaş provides all trial balance accounts and billing adjustment tables for the data in Exhibit B-4-1.a [CONFIDENTIAL EXHIBIT]. Other documents are derived from the databases in [CONFIDENTIAL TEXT DELETED – proprietary system] in Habaş’s accounting system.

B-5 Reconciliation of direct selling expenses to financial

accounts

1. Please complete the worksheet named “B-5 Upwards selling expense” to demonstrate that the direct selling expenses (e.g. Inland transport) in B-2 and D-2 are complete.
 - You must provide this list in electronic format using the template provided.
 - Please use the currency that your accounts are kept in.
 - If you have used formulas to complete this worksheet, these formulas must be retained.

Please see Exhibit B-5 Upwards selling expenses [CONFIDENTIAL EXHIBIT].

As explained in response to question B-2, Habaş has reported [CONFIDENTIAL TEXT DELETED – export costs] for export sales to Australia. [CONFIDENTIAL TEXT DELETED – export costs] are recorded on a transaction-specific basis. [CONFIDENTIAL TEXT DELETED – export costs] are reported by allocation, as to which please see Exhibit B-5-1 [CONFIDENTIAL EXHIBIT].

All home market subject merchandise sales [CONFIDENTIAL TEXT DELETED – domestic costs] which is also reported in Australian sales.

Please see Exhibit B-5-2 [CONFIDENTIAL EXHIBIT] for all direct expenses reported for home market sales and export sales to Australia. Habaş also shows each related accounting number in this exhibit to tie to the corresponding accounts in its trial balance. Exhibit B-5 [CONFIDENTIAL EXHIBIT] shows the total expenses reported in B-2-1 and D-2.

2. Please provide all documents (e.g. general ledgers, trial balances), other than those in A-5, B-2 and D-2, required to complete the “Upwards SG&A” worksheet. If the documents include spreadsheets, all formulas used must be retained.

As noted above, subsidiary ledgers of all relevant sales expense accounts are provided in Exhibit B-5-2 [CONFIDENTIAL EXHIBIT].

3. For any amount in the “Upwards sales” worksheet that is hard coded (i.e. not a formula), please cross-reference by providing:
 - the name of the source document, including the relevant page number, in column F of the worksheet; and
 - highlight or annotate the amount shown in the source document.

As noted above, subsidiary ledgers of all relevant sales expense accounts are provided in Exhibit B-5-2 [CONFIDENTIAL EXHIBIT].

SECTION C

EXPORTED GOODS AND LIKE GOODS

C-1 Models exported to Australia

1. Fully describe all of the goods your company exported to Australia during the period. Include specification details and any technical and illustrative material that may be helpful in identifying, or classifying, the goods exported to Australia.

The subject goods exported to Australia by Habaş [CONFIDENTIAL TEXT DELETED – range of exported goods].

A copy of the Australian specification is provided in Exhibit C-1.1.

2. Provide a list of MCCs of the goods exported to Australia. This must cover all MCCs listed in the Australian sales listing in B-2.
 - This list must be disclosed in the public record version of the response.

Habaş sold the following MCCs to Australia:

- **P-C-S-C-1**
- **P-C-C-A-C**
- **P-C-S-D-2**
- **P-C-S-B-1**
- **P-C-C-B-C**
- **P-C-S-C-2**
- **P-C-S-B-2**

C-2 Models sold in the domestic market

1. Fully describe all like goods your company sold on the domestic market during the period. Include specification details and any technical and illustrative material that may be helpful in identifying, or classifying, the like goods sold on the domestic market.

Subject goods sold by Habaş in the domestic market [CONFIDENTIAL TEXT DELETED – range of domestic goods].

A copy of the Turkish specification TSE 708 and ASTM 510 is provided in Exhibit C-2-1.

2. Provide a list of MCCs of like goods sold on the domestic market. This must cover all MCCs listed in the domestic sales listing in D-2.
- This list must be disclosed in the public record version of the response.

Habaş sold the following MCCs in the domestic market.

- **P-A-C-A-C**
- **P-B-C-A-C**
- **P-B-C-B-C**
- **P-B-S-A-2**
- **P-B-S-B-1**
- **P-B-S-B-2**
- **P-B-S-B-3**
- **P-B-S-C-1**
- **P-B-S-C-2**
- **P-B-S-C-3**

C-3 Internal product codes

1. Does your company use product codes or stock keeping unit (SKU) codes?

If yes:

- (a) Provide details of the product or SKU coding system for the goods, such as a legend or key of the meaning for each code within the product or SKU code.
- (b) Provide details on how you mapped the product or SKU codes to the MCC for the purpose of completing this questionnaire.
- (c) Provide a table of showing the product or SKU codes for each MCC.

If no:

- (a) Provide details on the method used to identify the MCC in the sales and cost spreadsheets.

PUBLIC RECORD

Please see Exhibit C-3-1 [CONFIDENTIAL EXHIBIT] for a product code key. The product code shows size, length, specification (grade) and form components of the product Habaş produces. Habaş can identify size, grade, form, length and prime information relating to the subject products sold in the home market. Therefore, Habaş has assigned MCCs for each product according to its information in product code key and product description.

For export sales to Australia, Habaş knows size, length, grade, form and other information from the invoices therefor.

SECTION D

DOMESTIC SALES

D-1 Domestic sales process

1. Provide details (and diagrams if appropriate) of the domestic sales process of your company and any other related entities including:
 - (a) Marketing and advertising activities
 - (b) Price determination and/or negotiation process
 - (c) Order placement process
 - (d) Order fulfilment process and lead time
 - (e) Delivery terms and process
 - (f) Invoicing process
 - (g) Payment terms and process

Orders are usually received by telephone or by fax.

Once an order is received, a shipment order is generated by the domestic sales department. These orders are transferred through the sales system, or sometimes by fax to the shipment department located in Izmir at the steel plant. Delivery is performed [CONFIDENTIAL TEXT DELETED – delivery details].

Purchase orders may correspond to a single invoice or more. Usually, if an order is for large quantities, more than one invoice will be issued corresponding to the same purchase order.

Home market sales are almost always made from inventory and are rarely manufactured to order. [CONFIDENTIAL TEXT DELETED – trade terms].

Payments [CONFIDENTIAL TEXT DELETED – manner of payment].

Prices are driven by various factors including raw material costs and market conditions. Prices do not vary by channel or customer category.

2. Are any domestic customers related to your company? If yes, please provide a list of each related customer and provide details on how the selling price is set.

Not applicable, in that none of the domestic customers in the period are related to Habaş.

PUBLIC RECORD

3. If sales are in accordance with price lists or price extras list, provide copies of these lists.

[CONFIDENTIAL TEXT DELETED – information re price lists].

4. Do your domestic selling prices vary according to the distribution channel identified? If yes, provide details. Real differences in trade levels are characterised by consistent and distinct differences in functions and prices.

Habaş's prices did not show any variation based on the channel or type of customer.

5. Did you provide on-invoice discounts and/or off-invoice rebates to the customer or an associate of the customer in relation to the sale of the like goods during the period? If yes, provide a description; and explain the terms and conditions that must be met by the importer to obtain the discount.

[CONFIDENTIAL TEXT DELETED – information re discounts and rebates].

6. Did you issue any credit or debit notes (directly or indirectly) to the customer or associate of the customer in relation to the sale of the like goods during the period? If yes, provide details of the credit/debit notes including the reasons the credit/debit notes were issued.

[CONFIDENTIAL TEXT DELETED – information re credit and debit notes].

7. The invoice date will normally be taken to be the date of sale. If you are making a claim that a different date should be taken as the date of sale:

(a) What date are you claiming as the date of sale?

The domestic market date of sale is considered to be the same as the export market date of sale, namely the date on which an order is accepted and a binding agreement comes into place for the sale of the goods at the agreed price.

(b) Why does this date best reflects the material terms of sale?

Please see above answer to the previous question.

[CONFIDENTIAL TEXT DELETED – sales details]. The invoice date has been included in Exhibit D-2 Domestic Sales [CONFIDENTIAL EXHIBIT].

D-2 Domestic sales listing

1. Complete the worksheet named “D-2 Domestic sales”
 - This worksheet lists all domestic sales (i.e. transaction by transaction) of like goods invoiced within the period, even if they are models not exported to Australia.
 - If you have claimed in D-1.7 that the date of sale is one other than the invoice date, then add the sales within your claimed date of sale.
 - You must provide this list in electronic format using the template provided.
 - If you have used formulas to complete this worksheet, these formulas must be retained.
 - If there are any other costs, charges or expenses incurred in respect of the sales listed which have not been identified in the table in question D-2 above, add a column for each item. For example, certain other selling expenses incurred.

Please see Exhibit D-2 [CONFIDENTIAL EXHIBIT] for Habaş’s reporting of its domestic sales in the period as requested. The following columns have been added:

- **Customer Code [1.1] - each customer has a unique code in Habaş’s [CONFIDENTIAL TEXT DELETED – proprietary system]; therefore Habaş added this field to identify each unique customer. [CONFIDENTIAL TEXT DELETED – number] customers have [CONFIDENTIAL TEXT DELETED – number] customer codes in the system: [CONFIDENTIAL TEXT DELETED – customer names and numbers].**
- **Product Description [4.1] - this field shows the description of the goods sold in the domestic market. Size, length, grade, and form information are all inherent in this description.**
- **Currency [10.1] - Habaş shows the currency of the invoice sold in the domestic market in this field (Turkish Lira).**
- **Other costs Returns (MT) [22] - Habaş reported returns on goods (MT) in this field.**
- **Unit Other costs Billing Adjustment (TL/MT) [22.1] - Habaş reported billing adjustments TL per metric ton in this field.**
- **Other Costs Inventory Carrying Cost TL/MT [23] [23.1] – Habaş reported inventory Carrying Cost TL/Ton.**

PUBLIC RECORD

2. Provide a table listing the source of the data for each column in the domestic sales listing prepared for your response to question D-2.1.

All data provided in D-2 is derived from [CONFIDENTIAL TEXT DELETED – proprietary system]. [CONFIDENTIAL TEXT DELETED – cost allocation] to distribute across both home market and export sales to Australia.

D-3 Sample domestic sales documents

1. Select the two largest invoices by value and provide the following documentation:
 - Contracts
 - Purchase order and order confirmation
 - Commercial invoice and packing list
 - Proof of payment and accounts receivable ledger
 - Documents showing bank charges
 - Delivery invoices

If the documents are not in English, please provide a translation of the documents.

Please refer to Exhibit D-3-1 [CONFIDENTIAL EXHIBIT] for document packages relating to the two largest home market invoice sales package. These invoices are [CONFIDENTIAL TEXT DELETED – number] and [CONFIDENTIAL TEXT DELETED – number].

[CONFIDENTIAL TEXT DELETED – sales details].

2. For each document, please annotate the documents or provide a table reconciling the details in the domestic sales listing (in D-2) to the source documents (in D-3.1).

The documents are annotated to show where the information that has been populated into the sales listing is to be identified.

D-4 Reconciliation of sales to financial accounts

This section is not required if you have completed B-4.

PUBLIC RECORD

Not applicable, in that Habaş has complied with B-4 in Exhibit B-4 [CONFIDENTIAL EXHIBIT].

1. Please complete the worksheet named “B-4 Upwards sales” to demonstrate that the sales listing in D-2 is complete.
 - You must provide this list in electronic format using the template provided.
 - Please use the currency that your accounts are kept in.
 - If you have used formulas to complete this worksheet, these formulas must be retained.
2. Please provide all documents (e.g. general ledgers, trial balances), other than those in A-5 and D-2, required to complete the “Upwards sales” worksheet. If the documents include spreadsheets, all formulas used must be retained.
3. For any amount in the “Upwards sales” worksheet that is hard coded (i.e. not a formula), please cross-reference by providing:
 - the name of the source document, including the relevant page number, in column F of the worksheet; and
 - highlight or annotate the amount shown in the source document.

SECTION E

DUE ALLOWANCE

E-1 Credit expense

1. Do you provide credit to any domestic customers in relation to sales of like goods (i.e. payment terms that are not on a cash or pre-payment basis)? If yes:
 - (a) Do you provide a rolling credit facility to your domestic customers (i.e. no specific payment terms agreed at the time of sale)? If yes:
 - i. Calculate the accounts receivable turnover for each domestic customer (credit sales divided by the average accounts receivable).
 - ii. Calculate the average credit term for each domestic customer by dividing 365 by the accounts receivable turnover.

[CONFIDENTIAL TEXT DELETED – information re credit terms].

- (b) Do you have short term borrowings or an overdraft facility? If yes, what is the interest rate, or average of interest rates?

[CONFIDENTIAL TEXT DELETED – information re credit terms].

- (c) Do you have term deposits or other cash product (e.g. bonds)? If yes, what is the interest rate, or average of interest rates?

[CONFIDENTIAL TEXT DELETED – information re credit terms].

2. Do you provide credit to any Australian customers in relation to sales of the goods (i.e. payment terms that are not on a cash or pre-payment basis)? If yes:
 - (a) Do you provide a rolling credit facility to your Australian customers (i.e. no specific payment terms agreed at the time of sale)? If yes:
 - i. Calculate the accounts receivable turnover for each domestic customer (credit sales divided by the average accounts receivable).
 - ii. Calculate the average credit term for each domestic customer by dividing 365 by the accounts receivable turnover.

[CONFIDENTIAL TEXT DELETED – information re credit and payment terms].

(b) If your Australian customers pay you into a foreign currency denominated account (question B-1.2(a) refers):

- i. Do you have short term borrowings or an overdraft facility denominated in the same foreign currency? If yes, what is the interest rate, or average of interest rates?

[CONFIDENTIAL TEXT DELETED – information re short term borrowings].

- ii. What is the interest rate, or average of interest rates, applying to term deposits or other cash product (e.g. bonds) denominated in the same foreign currency? If yes, what is the interest rate, or average of interest rates?

[CONFIDENTIAL TEXT DELETED – information re credit terms].

E-2 Packaging

- 1. What is the packaging used for your domestic sales of like goods?

Please see Exhibit E-2 [CONFIDENTIAL EXHIBIT] for the details of the packing calculation undertaken by Habaş.

The packing materials used are wire rod for tying, metal straps, signode and metal tags.

[CONFIDENTIAL TEXT DELETED – calculation method re packing].

- 2. What is the packaging used for your export sales of the goods to Australia?

Please refer to Habaş's response to question E-2-1.

- 3. If there are distinct differences in packaging between your domestic and export sales:

- (a) Provide details of the differences.
- (b) Calculate the weighted average packaging cost for each model sold on the domestic market.
- (c) Calculate the weighted average packaging cost for each model exported to Australia.

Please refer to Habaş's response to question E-2-1.

E-3 Delivery

1. Are any domestic sales of like goods delivered to the customer? If yes, how were the transportation costs calculated in the domestic sales listing in D-2?

[CONFIDENTIAL TEXT DELETED – sales terms].

2. What are the delivery terms of the export sales of the goods to Australia?

[CONFIDENTIAL TEXT DELETED – sales terms].

3. If the delivery terms of the Australian sales includes delivery to the port, how were the inland transport and port charges calculated in the Australian sales listing in B-2?

[CONFIDENTIAL TEXT DELETED – sales terms].

4. If the delivery terms of the Australian sales includes ocean freight, how was the ocean freight cost calculated in the Australian sales listing in B-2?

[CONFIDENTIAL TEXT DELETED – sales terms].

5. If the delivery terms of the Australian sales includes marine insurance, how was the marine insurance calculated in the Australian sales listing in B-2?

[CONFIDENTIAL TEXT DELETED – sales terms].

6. If the delivery terms of the Australian sales includes delivered duty paid, how were the Australian importation and delivery costs calculated in the Australian sales listing in B-2?

[CONFIDENTIAL TEXT DELETED – sales terms].

E-5 Other direct selling expenses

1. Do you provide sales commissions for domestic sales of like goods and/or export sales of the goods? If yes, provide details.

[CONFIDENTIAL TEXT DELETED – information re commissions].

2. Are there any differences in tax liability between domestic and export sales? If yes, provide details, for example:

- What is the rate of value-added tax (VAT) on sales of the goods and like goods?
- How is VAT accounted for in your records in relation to sales of the goods and like goods?
- Do you receive a VAT refund in relation to sales of the goods and/or like goods?
- Do you receive a remission or drawback of import duties on inputs consumed in the productions of the goods or like goods?

Habaş's export sales of the subject goods, including those to Australia, are eligible for import duty and tax exemptions under the Turkish inward processing regime ("IPR"). The Turkish IPR Regulation and Customs Law and English translations are provided in Exhibit H-4-1.

The IPR provides such exemptions to Turkish manufacturer/exporters by allowing the remission of import duties and value added tax ("VAT") on imported raw materials if such inputs are used for producing final goods for export. Under this system, the beneficiary of IPR submits a letter of guarantee or pledge of money covering the total of all duties and VAT that would otherwise be owed to the Turkish Customs authorities at the time of import.

Habaş imported billets in the period from various countries with a commitment to export the finished product that is manufactured by using the imported billets. Upon import, Habaş is exempt from paying import duties, including customs duty, charges and VAT on the condition that the finished products will be exported. Upon completion of production and exportation, Habaş must submit a completion report demonstrating the export of finished goods.

According to the IPR, failure to demonstrate that the finished goods are exported would result in retroactive collection of all the import duties and value added tax.

To calculate the per unit duty exemption, Habaş took the following steps:

- **Habaş is required to use the Ministry of Economy's online IPR system to apply for the opening and closing of a certificate under the IPR ("the IPC"). The IPCs obtained during the period were used to identify the relevant imports and exports for the calculation of duty drawback.**

- After identifying the IPCs; Habaş extracted all imports and exports made under each certificate from the IPR's online system.
- After compiling the import data, Habaş prepared the Exhibit E-5.2 Duty Drawback calculation worksheet [CONFIDENTIAL EXHIBIT].
- Habaş calculated the reported per unit amount of duty drawback by dividing the total amount of import duties and charges corresponding to the imports made under the identified IPCs by the total of exports made as a commitment against the imports to close the IPCs. Note that Habaş has included all imports and exports under the IPC to make sure there is no mismatch between the numerator and the denominator of the calculation

These import duty exemptions are a "due allowance" to be taken into account as a downward adjustment to the normal value.

These duty exemptions are reported in Exhibit B-2 [CONFIDENTIAL EXHIBIT].

3. Are there any other direct selling expenses incurred by your company in relation to domestic sales of like goods?

- These direct selling expenses must be included in the reconciliation of direct selling expenses in B-5.

At the time of submission of this EQ response Habaş has not identified other direct selling expenses on domestic sales. Habaş does however reserve its position, should it identify any such expenses it would intend to submit those to the Commission in a timely fashion and seek verification of them as may be required.

4. Are there any other direct selling expenses incurred by your company in relation to export sales of the goods to Australia?

- These direct selling expenses must be included in the reconciliation of direct selling expenses in B-5.

Habaş is not aware of other direct selling expenses for Australian market sales. Please see Exhibit B-5-2 [CONFIDENTIAL EXHIBIT] for a summary of the expenses reported in both home market and export market with their corresponding account numbers and the amounts that tie to Exhibit B-5 Upward selling expenses [CONFIDENTIAL EXHIBIT].

E-6 Other adjustment claims

1. Are there any other adjustments required to ensure a fair comparison between the export price and the normal value (based on domestic sales, costs and/or third country sales)? If yes, provide details.
 - An adjustment will only be made where there is evidence that the difference affects price comparability.
 - Refer to Chapter 14 of the Dumping and Subsidy Manual for more information.

Habaş claims an inventory carrying cost adjustment.

Habaş sells the subject goods into the domestic market from inventory whereas the exported goods are MTO. Thus the goods for domestic sale are held in inventory for a period of time (inventory turnover period) whereas the exported goods move directly to the port.

SECTION F

THIRD COUNTRY SALES

F-1 Third country sales process

1. Are your sales processes to any third country (i.e. exports to countries other than Australia) different to the sales process described in B-1.1? If yes, provide details of the differences.

Habaş's sales processes to third countries are mostly the same as those for Australian sales.

2. Are there any third country customers related to your company? If yes, please provide a list of each related customer and provide details on how the selling price is set.

No, none of the customers in other markets are related to Habaş.

3. The invoice date will normally be taken to be the date of sale. If you are making a claim that a different date should be taken as the date of sale:

(a) What date are you claiming as the date of sale?

The date of sale is considered to be the contract date.

(b) Why does this date best reflects the material terms of sale?

A commitment is made to purchase the goods concerned at a particular price on the contract date.

F-2 Third country sales listing

1. Complete the worksheet named "F-2 Third country sales"
 - This worksheet lists all export sales, summarised by country and customer, to third countries of like goods invoiced within the period.
 - If you have claimed in F-1.3 that the date of sale is one other than the invoice date, then add sales with your claimed date of sale.
 - You must provide this list in electronic format using the template provided.

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- If you have used formulas to complete this worksheet, these formulas must be retained.

Please refer to Exhibit F-2 [CONFIDENTIAL EXHIBIT], which lists Habaş's sales to third countries with respect to the subject merchandise in the requested format.

2. Provide a table listing the source of the data for each column in the export sales listing (F-2.1).

The source data for Exhibit F-2 [CONFIDENTIAL EXHIBIT] is the list of export declarations maintained in the accounting department that provides the requested information and reconciles to the accounting records.

F-3 Differences in sales to third countries

1. Are there any differences in sales to third countries which may affect their comparison to export sales to Australia? If yes, provide details.

There can be many market and logistical differences that affect the comparability of process between different markets. [CONFIDENTIAL TEXT DELETED – information re different markets] sales are made on bulk ships as opposed to containers.

SECTION G

COST TO MAKE AND SELL

G-1. Production process

1. Describe the production process for the goods and provide a flowchart of the process. Include details of all products manufactured using the same production facilities as those used for the goods. Also specify all scrap or by-products that result from producing the goods.

Habaş operates a single manufacturing plant that contains one Meltshop (“MS”) with two electric arc furnaces and four rolling mills. In addition, Habaş also has a hot rolling mill in which flat hot rolled steel in coil and cut to length (HRS) form is produced. The MS, which converts steel scrap into steel billets and slabs (the latter are used for non-subject hot-rolled steel coils, HRS, only), supplies all rolling mills.

[CONFIDENTIAL TEXT DELETED – production and product details].

[CONFIDENTIAL TEXT DELETED – production and product details].

A flowchart of Habaş’s production process for rebar is provided in Exhibit G-1.1 [CONFIDENTIAL EXHIBIT].

In the production process, scrap is first melted in one of the two electric arc furnaces in the MS. The molten metal is then adjusted in a ladle furnace and cast into billets. Billets leaving the casting stage are generally consumed in production or in some cases also sold to third parties.

The rolling mills receive most of their billets directly from the MS. [CONFIDENTIAL TEXT DELETED – production details].

[CONFIDENTIAL TEXT DELETED – production and product details].

2. Are any of your suppliers related to your company (regardless of whether it is relevant to the manufacture of the goods)? If yes, please provide details including the product or services supplied by the related company.

Group companies [CONFIDENTIAL TEXT DELETED – names of group companies] occasionally sell scrap to Habaş, but only on a very limited basis. During the period total scrap purchases from group companies was [CONFIDENTIAL TEXT DELETED – number] MT, which represented [CONFIDENTIAL TEXT DELETED – number]% of total scrap purchases.

[CONFIDENTIAL TEXT DELETED – name of group company] provides [CONFIDENTIAL TEXT DELETED – goods provided].

[CONFIDENTIAL TEXT DELETED – name of group company] provides [CONFIDENTIAL TEXT DELETED – goods provided].

[CONFIDENTIAL TEXT DELETED – name of group company] provides [CONFIDENTIAL TEXT DELETED – services provided].

G-2. Cost accounting practices

1. Is your company's cost accounting system based on actual or standard costs (budgeted)?

[CONFIDENTIAL TEXT DELETED – proprietary system].

[CONFIDENTIAL TEXT DELETED – manner of calculation of costs of subject goods].

[CONFIDENTIAL TEXT DELETED – manner of calculation of costs of subject goods].

All calculations are based on actual costs.

2. If your company uses standard costs:

- (a) Were standard costs used as the basis of actual costs in your responses G-3.1 and G-5.1?
- (b) Have all variances (i.e. differences between standard and actual production costs) been allocated to the goods?
- (c) How were those variances allocated?
- (d) Provide details of any significant or unusual cost variances that occurred during the period.

Not applicable, in that Habaş does not use standard costs.

3. Do you have different cost centres in your company's cost accounting system? If yes, list the cost centres, provide a description of each cost centre and the allocation methodology used in your accounting system.

Please see Exhibit G-1.3 [CONFIDENTIAL EXHIBIT] for a list of the cost centres used in Habaş's accounting system.

4. To what level of product specificity (models, grades etc.) does your company's cost accounting system normally record production costs?

[CONFIDENTIAL TEXT DELETED – manner of calculation of costs of subject goods].

5. Are there any costs for management accounting purposes valued differently to financial accounting purposes? If yes, provide details of the differences.

No

6. Has your company engaged in any start-up operations in relation to the goods? If yes:
- (a) Describe in detail the start-up operation giving dates (actual or projected) of each stage of the start-up operation.
- (b) State the total cost of the start-up operation and the way that your company has treated the costs of the start-up operation in its accounting records.

Habaş has not engaged in any start-up operations in relation to the goods.

7. What is the method of valuation for raw material, work-in-process, and finished goods inventories (e.g. last in first out –LIFO, first in first out- FIFO, weighted average)?

[CONFIDENTIAL TEXT DELETED – cost accounting methods].

8. What are the valuation methods for damaged or sub-standard goods generated at the various stages of production?

In the company's cost accounting short-length rebar and billets defected during rolling are treated [CONFIDENTIAL TEXT DELETED – accounting methods].

9. What are the valuation methods for scrap, by products, or joint products?

The market value of scrap and other physical by-products generated by each rolling mill is [CONFIDENTIAL TEXT DELETED – accounting methods]. Similarly, the value of mill scale (tufal) and exhaust waste that is produced from meltshop operations is [CONFIDENTIAL TEXT DELETED – accounting methods].

10. Are any management fees/corporate allocations charged to your company by your parent or related company? If yes, provide details.

[CONFIDENTIAL TEXT DELETED – information re fees/allocations].

G-3 Cost to make on domestic market

1. Complete the worksheet named "G-3 Domestic CTM".
- This worksheet lists the quarterly cost to make the domestic models of like goods by MCC manufactured within the period, even if they are models not exported to Australia.
 - The costs must be based on actual cost of production (i.e. not standard costs or cost of goods sold) for each MCC.
 - If any imputation tax (e.g. value-added tax) is payable on the purchase of goods or services to manufacture like goods, report the costs excluding the imputation tax. All other taxes payable (e.g. import duty) must be included as 'other costs' if not already included, for example, under material costs.
 - You must provide this list in electronic format using the template provided.
 - If you have used formulas to complete this worksheet, these formulas must be retained.
 - If you have claimed in D-1.7 that the date of sale is one other than the invoice date, then provide the cost for the quarters that all domestic sales are made within your claimed date of sale, even if doing so means that such cost data predates the commencement of the period.

Please refer to Exhibit G-3.1 Aust CTMS and G-5-1 Dom CTMS [CONFIDENTIAL EXHIBIT] for the requested cost to make and sell information.

As requested, the information is provided based on cost of production of all models and reported on a quarterly basis. All costs are net of VAT.

As noted above, [CONFIDENTIAL TEXT DELETED – accounting methods].

For the purposes of this response, as further explained below, Habaş calculated costs [CONFIDENTIAL TEXT DELETED – manner of calculation of costs of subject goods].

In Exhibit G-3.1 Aust CTMS and G-5-1 Dom CTMS [CONFIDENTIAL EXHIBIT], Habaş provides three separate files. In tab "ALLCOST", the full production cost for all rebar and rebar in coil is provided. These are the total costs that are presented in Exhibit G-8.1 Upwards Costs [CONFIDENTIAL EXHIBIT]. Then in "G-3.1 (AUS)" and "G-3.1 (DOM)" Habaş extracted and presented the MCC's that are sold to Australia and in the domestic market respectively from ALLCOST tab.

2. Provide a table listing the source of the data for each column of the "Domestic CTM" listing (G-3.1).

Please see Exhibit G-3.2 [CONFIDENTIAL EXHIBIT].

[CONFIDENTIAL TEXT DELETED – manner of calculation of costs of subject goods].

G-4 Selling, General & Administration expenses

1. Complete the worksheet named "G-4.1 SG&A listing".
 - This worksheet lists all selling, general and administration expenses by account code for the most recent accounting period and the period.
 - You must provide this list in electronic format using the template provided.
 - If you have used formulas to complete this worksheet, these formulas must be retained.

Please see Exhibit G-4.1 SGA Listing [CONFIDENTIAL EXHIBIT].

2. Complete the worksheet named "G-4.2 Domestic SG&A calculation".
 - This worksheet calculates the unit domestic SG&A for each MCC.
 - You must provide this list in electronic format using the template provided.
 - Please use the formulas provided.

Please see Exhibit G-4.1 [CONFIDENTIAL EXHIBIT] and Exhibit G-4.2 [CONFIDENTIAL EXHIBIT].

Habaş can directly query its accounting system with respect to all expenses and revenues for the steel segment which includes the subject goods. Therefore, the SGA calculation is done based on the trial balance of steel segment for the period.

In the trial balance, Habaş separately identified direct expenses [CONFIDENTIAL TEXT DELETED – identification of costs]) and indirect expenses which are presented in Exhibit G-4.1 [CONFIDENTIAL EXHIBIT].

The unit domestic SG&A is calculated by dividing total indirect expenses by the sales revenue. Habaş included the following lines from its income statement in the SGA calculation:

- [CONFIDENTIAL TEXT DELETED – account codes and cost types]

G-5 Cost to make the goods exported to Australia

1. Complete the worksheet named "Australian CTM".
 - This worksheet lists the quarterly cost to make the Australian models of the goods under consideration by MCC manufactured within the period.
 - The costs must be based on actual cost of production (i.e. not standard costs or cost of goods sold) for each MCC.
 - If any imputation tax (e.g. value-added tax) is payable on the purchase of goods or services to manufacture the goods, report the costs excluding the imputation tax. All other taxes payable (e.g. import duty) must be included as 'other costs' if not already included, for example, under material costs.
 - You must provide this list in electronic format using the template provided.
 - If you have used formulas to complete this worksheet, these formulas must be retained.
 - If you have claimed in B-1.8 that the date of sale is one other than the invoice date, then provide the cost for the quarters that all Australian sales are made within your claimed date of sale, even if doing so means that such cost data predates the commencement of the period.

Please refer to Exhibit G-3.1 Aust CTMS and G-5-1 Dom CTMS [CONFIDENTIAL EXHIBIT] for the requested cost to make and sell information.

As requested, the information is provided based on cost of production of all models and reported on a quarterly basis. All costs are net of VAT.

As noted above, [CONFIDENTIAL TEXT DELETED – accounting methods].

For the purposes of this response, as further explained below, Habaş calculated costs [CONFIDENTIAL TEXT DELETED – manner of calculation of costs of subject goods].

2. Provide a table listing the source of the data for each column of the "Australian CTM" listing (G-5.1).

Please see Exhibit G-3.2 [CONFIDENTIAL EXHIBIT].

[CONFIDENTIAL TEXT DELETED – manner of calculation of costs of subject goods].

G-6 Cost allocation methodology

1. What is the allocation methodology used to complete in G-3 domestic CTM and G-5 Australian CTM for:

- (a) Raw materials
- (b) Labour
- (c) Manufacturing overheads

As noted above, [CONFIDENTIAL TEXT DELETED – manner of calculation of costs of subject goods].

[CONFIDENTIAL TEXT DELETED – accounting methods]. [CONFIDENTIAL TEXT DELETED – manner of calculation of costs of subject goods].

Habaş's reported costs are obtained directly from financial accounting. As noted above, in the company's accounting, costs are accounted by [CONFIDENTIAL TEXT DELETED – accounting methods]. [CONFIDENTIAL TEXT DELETED – manner of calculation of costs of subject goods].

For purposes of the reported CTMS, [CONFIDENTIAL TEXT DELETED – manner of calculation of costs of subject goods]. The detailed cost calculation worksheets are provided as follows:

- Own Billet Costs (Exhibit G-6.1.2 [CONFIDENTIAL EXHIBIT]) -as explained above, [CONFIDENTIAL TEXT DELETED – manner of calculation of costs of subject goods].
- Purchased Billet Costs (Exhibit G-6.1.3 [CONFIDENTIAL EXHIBIT]) - as mentioned above, [CONFIDENTIAL TEXT DELETED – manner of calculation of costs of subject goods].
- Costs for Rolling Mill [CONFIDENTIAL TEXT DELETED – manner of calculation of costs of subject goods]

[CONFIDENTIAL TEXT DELETED – manner of calculation of costs of subject goods].

Note that packing labour is included in the total labour costs. All packing labour and material costs are reported in Exhibit B-2 Australian Sales [CONFIDENTIAL EXHIBIT] and Exhibit D-2 Domestic Sales [CONFIDENTIAL EXHIBIT]. [CONFIDENTIAL TEXT DELETED – manner of calculation of costs of subject goods].

2. Select the domestic model (export model if you have no domestic production of like goods) with the largest production volume over the period and provide worksheets demonstrating the allocation methodology described in G-6.1 from your normal cost accounting system to the cost for that model reported in G-3.1.

Please see Exhibit G-6.2 Cost Allocation Worksheet [CONFIDENTIAL EXHIBIT] for a complete demonstration of allocation of costs to the products. The calculation of per unit cost factors are also provided, as part of Exhibits G-6.1.1 to G-6.1.4 [CONFIDENTIAL EXHIBITS].

G-7 Major raw material costs

1. What are the major raw materials used in the manufacture of the goods?

The major raw material used in the manufacture of rebar is scrap.

As noted above, scrap is melted and transformed into billets, which are the semi-finished goods used in the production of rebar.

2. Are any raw materials sourced as part of an integrated production process or from a subsidiary company which your company exercise control? If yes, complete the worksheet named "G-7.2 Raw material CTM" for these raw materials.

- This worksheet lists the quarterly cost to make the raw material manufactured within the period.
- The costs must be based on actual cost of production (i.e. not standard costs or cost of goods sold).
- If any imputation tax (e.g. value-added tax) is payable on the purchase of goods or services to manufacture the raw material, report the costs excluding the imputation tax. All other taxes payable (e.g. import duty) must be included as 'other costs' if not already included, for example, under material costs.
- You must provide this list in electronic format using the template provided.
- If you have used formulas to complete this worksheet, these formulas must be retained.

As noted above, Habaş produces its own billets. Cost to make own billets has been provided above in Exhibit G-6.1.2 [CONFIDENTIAL EXHIBIT].

3. Using the domestic cost data in G-3, calculate the weighted average percentage of each raw material cost (listed in G-7.1) as a proportion of total cost to make.

Habaş performed this exercise. The only two raw materials which individually account for 10% or more of the total cost to make are scrap and billets.

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4. For each raw material identified in G-7.3 which individually accounts for 10% or more of the total cost to make, complete the worksheet named “G-7.4 Raw material purchases”
- This worksheet lists all raw material purchases (i.e. transaction by transaction) purchased by your company within the period.
 - You must provide this list in electronic format using the template provided.
 - If you have used formulas to complete this worksheet, these formulas must be retained.

Please see Exhibit G-7.4 Raw material purchases [CONFIDENTIAL EXHIBIT] for a listing of Habaş’s purchases of imported scrap and billets.

5. Provide a table listing the source of the data for each column of the “Raw material purchases” listing (G-7.4).

The information was extracted directly from [CONFIDENTIAL TEXT DELETED – proprietary system].

6. For each raw material:
- (a) Select the two largest invoices by value and provide the commercial invoice and proof of payment.
 - (b) Reconcile the total value listed of the purchases in G-7.4 to relevant purchase ledgers or trial balances in your accounting system. Provide copies of all documents used to demonstrate the reconciliation.

Please see Exhibit G-7.6.(a) Raw material purchases [CONFIDENTIAL EXHIBIT] for the requested invoices and proof of payment.

Please note that for scrap purchases, [CONFIDENTIAL TEXT DELETED – scrap weight details].

7. Are any of the suppliers listed in G-7.4 related to your company? If yes, please provide details on how the price is set.

Please refer to Habaş’s answer to question G-1.2 above.

G-8 Reconciliation of cost to make to audited financial statements

1. Please complete the worksheet named "Upwards costs".
 - You must provide this list in electronic format using the template provided.
 - Please use the currency that your accounts are kept in.
 - If you have used formulas to complete this worksheet, these formulas must be retained.

Please see Exhibit G-8.1 [CONFIDENTIAL EXHIBIT] for the requested reconciliation.

Because the subject product costs are reported in [CONFIDENTIAL TEXT DELETED – account code and number]), in the upwards costs worksheet Habaş only presented rebar-related and wire rod-related (which includes rebar in coil) cost figures.

In the same file in Tab "RecontoFinancials", Habaş demonstrates, by adding Other products cost of sales, that the rebar COGS can be directly reconciled to the audited financials.

2. Please provide any documents, other than those in A-5, G-3 and G-5, required to complete the "Upwards costs" worksheet.

Please refer to Habaş's previous answer.

3. For any amount that is hard coded (i.e. not a formula), please cross-reference by providing:
 - the name of the source document, including the relevant page number, in column F of the worksheet; and
 - highlight or annotate the amount shown in the source document.

Please refer to Habaş's previous answer.

SECTION H

COUNTERVAILING

Introduction

In the application, the applicant alleged the existence of a total of 32 programs, based on the findings of previous investigations undertaken by the US Department of Commerce (USDOC). The Commission also held a consultation with the Government of Turkey in relation to the application prior to this investigation being initiated. As part of the consultation process, the Government of Turkey provided a submission regarding the operation of the subsidies alleged by the applicant. The submission forms Non-Confidential Attachment 6 to *Anti-Dumping Consideration Report No.495*.

The Commission notes that there was minimal detail in the application for some of the 32 programs. In the limited time available to examine the application, the Commission had regard to the information provided by the Government of Turkey in its consultation submission and the Government of Turkey's *New and Full Notification Pursuant to Article XVI:1 of the GATT 1994 and Article 25 of the Agreement on Subsidies and Countervailing Measures*.

The Commission observed that there appeared to be some duplication in the programs listed in the application.

Based on available information, the Commission has limited this questionnaire to investigating the following. If further information comes to hand during the course of the investigation, the Commission may choose to investigate further programs. In this event, the Commission may issue a supplementary questionnaire.

Program Category	No.	Program name
Provision of goods	1	Natural Gas for Less than Adequate Remuneration
	2	Land for Less than Adequate Remuneration
	3	Electricity for Less than Adequate Remuneration
	4	Provision of Lignite for Less than Adequate Remuneration
Preferential tax policies	5	Deductions from Taxable Income for Export Revenue
	6	R&D Income Tax Deduction
	7	Withholding of Income Tax on Wages and Salaries
	8	Exemption from property tax

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Program Category	No.	Program name
	9	Exemption from Income Tax on Wages Paid to Workers
Tariff & VAT Exemptions	10	Import duty rebates/drawbacks under Article 22 of Turkey's Domestic Processing Regime (RDP) Resolution 2005/839 (RDP duty drawback program)
	11	Investment Encouragement Program VAT and Import Duty Exemptions
	12	Inward Processing Certificate Exemption Program
Preferential Loans / Financial Arrangements	13	Pre-shipment Turkish Lira Export Credits
	14	Pre-shipment Foreign Currency Export Credits
	15	Pre-export Credits
	16	Short-term Export Credit Discounts
	17	Rediscount Program
	18	Foreign Trade Company Export Loans
	19	Investments Provided under Turkish Law No. 5746
	20	Turkish Development Bank Loans
Direct Funds	21	Industrial R&D Projects Grant Program
Other	22	Assistance to Offset Costs Related to AD/CVD Investigations
	23	Social Security Premium Support (Employer's Share)

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Program Category	No.	Program name
	24	Social Security Premium Support (Employee's Share)
	25	Investment Incentive Program

Table H-1: Subsidy programs

Habaş hereby submits its response to Section H of this questionnaire.

H-1 General

1. Complete the worksheet named "H-1 Company turnover":
 - This worksheet is a table of the total company revenue over the period and split into:
 - Total revenue for Australian sales, domestic sales and third country sales
 - Revenue of the goods for Australian sales, domestic sales and third country sales
 - You must provide this table in electronic format using the template provided.
 - If you have used formulas to complete this worksheet, these formulas must be retained.

Please see Attachment H-1 [CONFIDENTIAL EXHIBIT] for the requested table.

H-2 Provision of goods (Programs 1 to 4)

Specific Questions

1. Does your business or any related business generate electricity from its own power plant facilities?

Yes. Habaş owns and operates three power plants, two near Izmir and one near Bilecik. [CONFIDENTIAL TEXT DELETED – corporate/commercial strategy].

2. If your business purchased natural gas in relation to the production of rebar, whether this be for power generation or other processes relating to the production of rebar, was the gas utility company a wholly state owned enterprise (SOE) or a state invested enterprise (SIE)? Please provide the names of the companies that supplied your company natural gas during the investigation period indicating the nature of the supplier, e.g. SOE, SIE or private.

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Habaş purchased natural gas from both from private distribution companies and from a public utility/ government enterprise.

Gas from private distribution companies was mainly used for building heating purposes. The companies were [CONFIDENTIAL TEXT DELETED – names of suppliers] (please see Attachment H.2.2. [CONFIDENTIAL EXHIBIT]).

Gas for use in electricity generation and in the production of rebar was purchased by Habaş from [CONFIDENTIAL TEXT DELETED – name of supplier]. [CONFIDENTIAL TEXT DELETED – name of supplier] is a State Economic Enterprise with the status of a joint-stock company established in accordance with the provisions of the private law and subject to the Decree Law No. 233 on State Economic Enterprises.

3. Please provide copies of any relevant contracts or purchase agreements relating to your suppliers of natural gas listed in your response to H-2.2.

Please refer to Attachment H-2.3.a and H-2-3.b [CONFIDENTIAL EXHIBITS] for a copy of Habaş's contract with [CONFIDENTIAL TEXT DELETED – name of supplier] (original Turkish language version, and English translation respectively).

4. Provide a summary of all payments made for natural gas during the investigation period in the attached spreadsheet labelled "H-2.4 Natural Gas" and provide copies of invoices and evidence of payment.

Please see Attachment H-2.4(a) [CONFIDENTIAL EXHIBIT] for the requested table. Sample copies of invoices and payment evidence are provided in Attachment. H-2.4(b) [CONFIDENTIAL EXHIBIT].

5. Does your business or related business lease or purchase land use rights in relation to land from a SOE or SIE? If so provide a copy of the agreement(s).

Not applicable, in that Habaş did not lease or purchase land use rights in relation to land from any "SOE" or "SIE" during the period.

6. Does your business or related business purchase electricity for use in the production of rebar? If not, what alternative power source is used in your production of rebar?

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Habaş generates its own electricity to use in the production of rebar. However, in the event of need, Habaş will purchase electricity from the electricity market to use in the production of rebar.

7. Provide a list, including a contact name and address, of all your suppliers of electricity, including those purchased through related businesses. Indicate whether the supplier is a SOE, a SIE or private and provide evidence supporting this.

As noted above, Habaş purchased electricity from private electricity distribution companies and from the electricity market. All of these companies are private. See Attachment H-2.7 [CONFIDENTIAL EXHIBIT] for a list of the companies as well as screenshots of their web-pages stating or indicating that they are private companies and providing information for any inquiries by the Commission.

8. Provide a summary of all payments and sales your company made for electricity during the investigation period in the attached spreadsheet labelled "H-2.8 Electricity" and provide copies of invoices and evidence of payment.

Please refer to Attachment H-2.8(a) [CONFIDENTIAL EXHIBIT] for a report detailing electricity purchases from the electricity market through EPIAS and from distribution companies. Sample copies of invoices and payment evidences are provided in the same Attachment H-2.8(b) [CONFIDENTIAL EXHIBIT].

9. If your company generates surplus electricity, outline how this surplus energy is used. During the investigation period, was any surplus electricity sold to a SOE or SIE? If so, provide details.

Habaş generated surplus electricity during the period, however, it did not sell same to a SOE or SIE. Habaş sold the surplus electricity in the electricity market and to end-users, all of whom are private parties.

In Turkey, the electricity market is operated by Enerji Piyasaları İşletme A.Ş. ("EPIAS-Energy Market Operating Corporation"). EPIAS (previously TEIAS) is a joint stock company that makes financial settlements for transactions in electricity markets and manages payment, invoicing and other financial activities. It operates the Market Management System, an online software system where market participants (sellers and buyers) place offers and bids.

Habaş underlines that its electricity sales into the market are not sales to a SOE or SIE. Since the Commission refers to US Department of Commerce's ("DOC") previous findings in its CVD investigations, Habaş also would like to note DOC's findings on the purported Provision of Electricity for More Than Adequate Remuneration Program in the DOC's Countervailing Duty 2014 Administrative Review of Steel Concrete Reinforcing Bar from the Republic of Turkey. As detailed

in the attached decision memorandum of the Department of Commerce (see Attachment H-2-9), EPIAS has no inflow or outflow of money with regard to the electricity transactions between the sellers and buyers. EPIAS can neither purchase nor sell electricity. Thus, as confirmed by DOC, EPIAS's role in facilitating the purchase and sale of electricity on the market cannot constitute a government purchase of electricity for LTAR.

10. Does your business operate any form of power generation which requires lignite (also known as "brown coal")? If yes, outline how your power generation relates to the production of the rebar?

Not applicable, in that Habaş does not operate any form of power generation which requires lignite.

11. Provide an itemised list of lignite purchases in the worksheet named "H-2.11 Lignite".

Not applicable, in that Habaş does not operate any form of power generation which requires lignite.

General Questions (answer in relation to each program)

Habaş notes:

- with respect to alleged *Program 2: Provision of Land for Less Than Adequate Remuneration* - Habaş did not lease or purchase any land from any government entity during the period;
- with respect to alleged *Program 3: Provision of Electricity for Less Than Adequate Remuneration* - as reported in Attachment H-2-7 [CONFIDENTIAL EXHIBIT], Habaş did not purchase electricity from any government entity during the period;
- with respect to alleged *Program 3: Provision of Lignite for Less Than Adequate Remuneration* - Habaş did not purchase lignite coal from any government entity during the IP.

Habaş responds to the Commission's general questions with respect to the alleged *Program 1: Provision of Natural Gas for Less Than Adequate Remuneration*. This is because Habaş purchased natural gas from [CONFIDENTIAL TEXT DELETED – name of supplier] during the period. [CONFIDENTIAL TEXT DELETED – name of supplier] is a State Economic Enterprise with the status of a joint-stock company established in accordance with the provisions of the private law and subject to the Decree Law No. 233 on State Economic Enterprises.

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12. Did your business or any related business receive any benefit under the above programs during the period? If yes, provide details.

Habaş did not receive any benefit via purchasing natural gas from [CONFIDENTIAL TEXT DELETED – name of supplier].

As explained in response to question H-2-2 and reported in Attachment H-2-4 [CONFIDENTIAL EXHIBIT], during the period Habaş purchased natural gas from [CONFIDENTIAL TEXT DELETED – name of supplier] and from private distribution companies, namely [CONFIDENTIAL TEXT DELETED – name of supplier]. The gas purchased from [CONFIDENTIAL TEXT DELETED – name of supplier] was large volume industrial supply, whereas the private sector gas was provided in low volumes for non-industrial purpose (ie retail or consumer gas). Despite that difference in volume and use, a comparison of domestic natural gas prices of private suppliers in Turkey with [CONFIDENTIAL TEXT DELETED – name of supplier] prices shows only a slight difference.

Additionally, in that the application for the initiation refers to the US DOC's previous determinations with respect to this alleged program, Habaş would like to remind that US DOC, in its latest CVD investigation against Habaş, determined that no benefit was received by Habaş through purchasing natural gas from [CONFIDENTIAL TEXT DELETED – name of supplier].

13. Did your business receive any reduction/reduced price for the purchase of these goods/services during the investigation period? If so, describe the eligibility criteria that your business had to meet in order to qualify for any reduction in the price paid for the goods/services.

Not applicable. [CONFIDENTIAL TEXT DELETED – name of supplier] publishes natural gas prices on its web-page, which it offers to all customers. Habaş paid those quoted prices and did not receive any reduction/reduced price from [CONFIDENTIAL TEXT DELETED – name of supplier].

14. Describe the application and approval procedures for obtaining a benefit under the program.

Not applicable, in that there are no application or approval procedures. Habaş approaches [CONFIDENTIAL TEXT DELETED – name of supplier] to purchase natural gas and then signs a purchase contract with respect to the agreed supply.

Please refer to Attachment H-2-3 [CONFIDENTIAL EXHIBIT] for a sample copy of such a contract.

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15. Provide copies of all contractual agreements that detail the obligations of the SOE or SIE and your business with reference to the granting and receipt of the assistance/benefits.

Please refer to Attachment H-2-3 [CONFIDENTIAL EXHIBIT] for a copy of the Habaş contract with [CONFIDENTIAL TEXT DELETED – name of supplier].

A articulated above, Habaş did not receive any benefit/assistance via purchasing natural gas from [CONFIDENTIAL TEXT DELETED – name of supplier]. The contract governs the terms and conditions of natural gas purchase and sale between parties as well as their mutual rights and obligations under the contract. The price of natural gas stipulated in the contract is exactly the same as the tariffs/prices published on [CONFIDENTIAL TEXT DELETED – name of supplier] web page.

Habaş neither receives a reduced price nor a price that is different to the price generally offered by [CONFIDENTIAL TEXT DELETED – name of supplier].

H-3 Preferential tax policies (Programs 5 to 9)

1. Did your business or any related business receive any benefit³ under the above tax programs during the investigation period **1 October 2017 to 30 September 2018**?

Among the alleged Programs 5 to 9, Habaş participated in *Program 5 - Deductions from Taxable Income for Export Revenue*.

2. Complete the worksheet named "**H-3.2 Income Tax**":

- This worksheet is a table of your company's income tax liability over the last three income tax years.
- You must provide this table in electronic format using the template provided.
- If you have used formulas to complete this worksheet, these formulas must be retained.

Please see Attachment H-3.2 [CONFIDENTIAL EXHIBIT] for the requested table.

3. Provide a copy, bearing the official stamp of the appropriate level of the government, of all corporate income tax acknowledgement form(s) and the income tax return(s) that your company filed for the last **THREE** completed income tax years. If the documents are not in English, please provide a translation of the documents or annotate documents where appropriate.

³ Refer to the Glossary of Terms for a definition of benefit in this context.

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Note: If your company did not file an income tax return in the last three financial years, provide an explanation stating the reasons why you were exempt from filing such a return and the applicable section[s] of the relevant law under which you were exempt from doing so.

Please see Attachment H-3.3 [CONFIDENTIAL EXHIBIT] for Habaş's relevant income tax returns and translations.

4. Please provide copies of any tax computations or other similar documents which support the completion of your company's income tax returns for each tax year referred to in H-3.3. If the documents are not in English, please provide a translation of the documents or annotate documents where appropriate.

In response to this question Habaş advises that the tax returns and the other information it has provided is a comprehensive record of its relevant records and tax payments. If the Commission has other relevant and specific requirements Habaş would be willing to comply.

5. Provide proof of your company's tax payments to your tax authority over the last three income tax years, including any progress payments made and related forms submitted to reconcile the tax returns referred to in H-3.3.

Please also refer to Attachment H-3.3 [CONFIDENTIAL EXHIBIT] for copies of Habaş's tax accrual slips.

6. What is the general tax rate for enterprises in Turkey (also referred to as the company or corporate tax rate) during the previous three financial years?

The corporate tax rate in Turkey during the previous three financial years was 20 percent.

7. In relation to the programs 5-9, outline:

Habaş's response relates to the only one of these Programs in which it participated, namely *Program 5 - Deductions from Taxable Income for Export Revenue*.

- a. In which tax year was the tax paid or payable, less than the general tax rate for that particular year?

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The tax reduction operates by way of a deduction from taxable income. Under Article 40 of Income Tax Law 193 of January 6, 1961, as amended by Law 4108 of June 1995, taxpayers engaged in export, construction, maintenance, assembly, and transportation activities abroad may claim a “lump sum” deduction from gross income, in an amount not to exceed 0.5 percent of the taxpayer’s foreign-exchange earnings. The purpose of the law is to enable exporters to have a deduction from taxable income, within the stated limit, to acknowledge that the exporter will have incurred expenses that may lack proper documentation, such as lodging, food, and gas expenses incurred on overseas travel.

A taxpayer can make this deduction from its taxable gross income in each year. There is a line item in the tax return showing the deduction. Please refer to Attachment H-3-7-a [CONFIDENTIAL EXHIBIT] in which Habaş has highlighted the deduction amount as reported in its corporate tax returns as filed for the last three completed income tax years.

- b. What is the name of the authority granting your company the reduced tax rate?

The program is administered by Turkish Ministry of Finance.

Please note that the program does not provide a reduced tax rate. Rather, the program enables a deduction from gross taxable income for undocumented expenses incurred abroad. Thus, the 20 percent corporate tax rate was applicable for Habaş during the period.

- c. Outline the eligibility criteria your business had to satisfy to benefit from the reduced tax rate?

The only criterion is the company’s receipt of foreign currency revenues from export sales in the fiscal year.

- d. State whether your eligibility for the program was conditional on one or more of the following criteria:

- whether or not your business exports or has increased its exports;
- the use of domestic rather than imported inputs;
- the industry to which your business belongs; or
- the region in which your business is located.

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The only criterion is the company's receipt of foreign currency revenues from export sales in the fiscal year.

- e. Provide details of the application process, if applicable, provide a copy of the blank application form. If the documents are not in English, please provide a translation of the documents.

There is no separate application or approval process. Participation is based on the relevant legal provisions of the relevant tax laws, the fact of foreign currency inflows, and the submission of a tax return with the details claimed therein.

- f. Provide a copy of your company's completed application form, including all attachments to the application form. If the documents are not in English, please provide a translation of the documents.

There is no separate application or approval process. Participation is based on the relevant legal provisions of the relevant tax laws, the fact of foreign currency inflows, and the submission of a tax return with the details claimed therein.

- g. Provide a copy of any confirmation or other correspondence from the authority approving your company for the reduction in tax rate. If the documents are not in English, please provide a translation of the documents.

As per previous answers, there is no separate application and approval process. Any exporter is eligible for this benefit during any calendar year. Taxpayers declare the deduction as a separate line item in their tax returns.

- h. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program.

There are no such charges or expenses incurred.

- i. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.

The benefit is based upon the receipt of foreign currency revenues from export sales in the fiscal year.

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- j. Indicate where benefits under this program can be found in your accounting system (i.e. specify the ledgers or journals) and financial statements

The amount is booked in selling expenses account [CONFIDENTIAL TEXT DELETED – number].

- k. To your knowledge, does the program still operate or has it been terminated?

The program still operates.

- l. If the program has been terminated, please provide details (when, why). When is the last date that your business could apply for or claim benefits under the program? When is the last date that your business could receive benefits under the program?

Not applicable, the program still operates.

8. If your business currently pays income tax at a rate less than the general tax rate referred to in the previous questions, or paid at a rate less than that during the investigation period, please indicate whether the reduced rate of tax payable relates to any of the tax programs identified above.

Not applicable, in that Habaş pays income tax at the general corporate tax rate.

9. **IF** the reduced rate of tax payable relates to programs which have **NOT** been identified at programs 5-9 please refer to these below.

Not applicable, in that Habaş does not pay a reduced rate of tax.

- a. What tax rate did your company pay?
- b. In which tax year was the tax paid or payable, less than the general tax rate for that particular year?
- c. What is the name of the program?
- d. What is the name of the authority granting your company the reduced tax rate?

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- e. Outline the eligibility criteria your business had to satisfy to benefit from the reduced tax rate?
- f. State whether your eligibility for the program was conditional on one or more of the following criteria:
 - whether or not your business exports or has increased its exports;
 - the use of domestic rather than imported inputs;
 - the industry to which your business belongs; or
 - the region in which your business is located.
- g. Provide details of the application process, if applicable, provide a copy of the blank application form. If the documents are not in English, please provide a translation of the documents.
- h. Provide a copy of your company's completed application form, including all attachments to the application form. If the documents are not in English, please provide a translation of the documents.
- i. Provide a copy of any confirmation or other correspondence from the authority approving your company for the reduction in tax rate. If the documents are not in English, please provide a translation of the documents.
- j. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program.
- k. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.
- l. Indicate where benefits under this program can be found in your accounting system (i.e. specify the ledgers or journals) and financial statements
- m. To your knowledge, does the program still operate or has it been terminated?
- n. If the program has been terminated, please provide details (when, why). When is the last date that your business could apply for or claim benefits under the program? When is the last date that your business could receive benefits under the program?

H-4 Tariff & VAT Exemptions (Programs 10 to 12)

It is the Commission's understanding that certain enterprises in Turkey may be eligible for exemption from the payment of import duties and VAT in certain circumstances.

If your business or a related business received benefits under any such program during the period 1 October 2017 to 30 September 2018, please answer the following questions.

Among the listed programs 10 to 12, Habaş participated in Program 10: Import duty rebates/drawbacks under Article 22 of Turkey's Domestic Processing Regime (RDP)

Resolution 2005/839 (RDP duty drawback program). Habaş also notes that the “Inward Processing Regime” is stipulated by Resolution Numbered 2005/8391, thus Programs 10 and 12 are considered to be the same Program. Thus, in the below answers Habaş responds to the questions with respect to Programs 10 and 12.

In relation to *Program 11: Investment Encouragement Program VAT and Import Duty Exemptions* Habaş had regional investment encouragement certificates in relation to investments on non-subject merchandise, namely its gas section and port investment. Thus, Habaş was not exempted during the period from customs duties and VAT through having an Investment Encouragement Certificate/s relating to the production of rebar, and accordingly does not respond with respect to Program 11.

1. Provide complete details involving the exemption of import duties or VAT received for any purchases.

Habaş participates in the Inward Processing Regime (“IPR”) under Turkish law. IPR provides tax exemptions to Turkish manufacturer/exporters by permitting them to import raw materials free of import duties and value added tax (“VAT”) if such inputs are intended for producing final goods for export. Under this system, the IPR beneficiary has to submit to the customs authorities a letter of guarantee or pledge of money, at the time of importation, covering the total of all duties and VAT that would otherwise be owed. The Turkish IPR Regulation and an English translation are provided in Attachment H-4-1.

Habaş imports raw materials with a commitment to export the finished product that is manufactured from those raw materials by using under D-1 certificates. It does not participate in any IPR which relates to domestic market sales and therefore does not submit what are known as D-3 certificates.

Upon importation, Habaş is exempted from paying import duties, charges and VAT on the condition that the finished products will be exported. The Government has an online system (e-portal) in place to confirm which inputs, are consumed in the production of the exported product, and in what amounts, as explained below.

In order to apply for an Inward Processing Certificate (“IPC”), Habaş must first enter the products and quantities it intends to export, and then the product and quantity of imports required to produce the stated exports. The online system does not permit Habaş to exceed the quantity of imports based on certain pre-set limits (waste/yield ratios) set by the Ministry of Economy within the system. If the import quantity exceeds the pre-set limit, the system automatically rejects the import quantity entered, with a notation in red indicating by how much the import figures exceed the pre-set limits.

Upon Habaş’s application, and if the objective pre-set limits are not exceeded, the Ministry of Economy will issue Habaş with an IPC with a specific number upon importation of raw materials that will be used to manufacture goods for export.

Once the IPC is issued Habaş is allowed to begin to import the required raw materials. When the imported material arrives, Turkish Customs enters the import

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information, including the IPC number indicated on the Customs Entry Document, into its online system. Upon exportation, Turkish Customs enters the relevant information, including the IPC number indicated on the Customs Exit Declaration, into the online system. The Customs and the Ministry of Economy systems are linked, and all of the imports and exports under a given IPC can be viewed in the IPR e-portal. Using this system the Government can track all of the imports and exports made under a particular IPC.

Upon completion of production and exportation, Habaş submits realised import and export lists to the Ministry of Economy demonstrating the exportation of finished goods linked to the imported inputs. The Turkish Government (Ministry of Economy) then closes off these certificates after confirming with Habaş that it has fully realised its export commitments set out in the IPCs.

Habaş notes that Turkey's Inward Processing Regime is compliant with World Trade Organization Subsidies and Countervailing Measures Agreement provisions which renders this program as non-countervailable.

2. Provide information relating to your imports of plant, equipment and materials by completing the worksheet "**H-4 Imported Goods**". Has your company received exemption from payment, or refunds of import duty, for imported material inputs including technologies and equipment at any time that were used in the production of the goods during the investigation period? Please ensure this is clearly identified in the worksheet.

Please refer to Attachment H-4-2 [CONFIDENTIAL EXHIBIT] for Habaş's report of the raw materials (i.e. billet, scrap, etc) imported under IPR to be used in the production of rebar for export, and therefore without paying customs duties and other charges. This was extracted directly from the electronic realised import lists of each IPC from the online e-portal.

3. Describe the application and approval procedures for obtaining a benefit under these programs.

As explained above, to make an application Habaş uses the online e-portal system of the Ministry of Economy which is linked to Turkish Customs. Habaş enters the products and quantities it intends to export, and then the product and quantity of imports required to produce the stated exports. The online system permits Habaş to import based on certain waste/yield ratios embedded in the system. Once the IPC is approved by the Ministry of Economy, it is transmitted to Habaş by the Ministry.

4. Where applicable, provide copies of the application form or other documentation used to apply for these programs, all attachments and all contractual agreements entered into between your business and the government in relation to the program.

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Information such as importation, exportation, status, and type of IPC is kept in the online e-portal system. The application for a certificate and tracking of imports and exports is all done on-line through the portal which is linked to the Turkish Customs authority electronic entry system.

Please refer to Attachment H-4-4 [CONFIDENTIAL EXHIBIT] for sample screenshots from the online e-portal system.

5. Outline the fees charged to, or expenses incurred by your business for purposes of receiving these programs.

Not applicable, in that there are no fees or expenses incurred.

6. Outline the eligibility criteria your business had to meet in order to receive benefits under these programs.

Eligibility criteria during the application for an IPC and closing off the IPC is to make and meet this export commitment. Failure to meet the export commitment in an IPC, results in very significant penalties and possible criminal prosecution under Turkish law.

7. State whether your eligibility for these programs was conditional on one or more of the following criteria:

- whether or not your business exports or has increased its exports;
- the use of domestic rather than imported inputs;
- the industry to which your business belongs; or
- the region in which your business is located.

Please refer to Habaş's answers to the other related questions.

8. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.

Please refer to Habaş's answers to the other related questions.

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9. What records does your business keep regarding each of the benefits received under these programs? Provide copies of any records kept in relation to the program.

Information such as importation, exportation, status, and type of IPC is kept in the online e-portal system. The application for a certificate and tracking of imports and exports is all done on-line through the portal which is linked to the Turkish Customs authority electronic entry system.

10. Indicate where benefits under these programs can be found in your accounting system (i.e., specify the ledgers or journals) and financial statements.

There is no record in the accounting system of "benefits" because Habaş does not pay duties or tax upon importation.

11. To your knowledge, do these programs still operate or have they been terminated?

The program still operates.

12. If these programs have been terminated, please provide details (when, why). When is the last date that your business could apply for or claim benefits under the program? When is the last date that your business could receive benefits under the program?

Not applicable, in that the program still operates.

13. If any of these programs have been terminated and is being substituted for by another program, identify the program and answer all the questions in this part in relation to this program.

Not applicable, in that the program still operates.

14. Were the materials and/or equipment that were entitled to an exemption of import duty used in the production of the goods during the investigation period? If yes, provide the following information:

- type of inputs;
- cost of inputs;
- quantity of inputs; and

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- amount of duty exempted.

Yes, please refer to Attachment H-4-2 [CONFIDENTIAL EXHIBIT].

15. Explain if (and how) the government determines which imported inputs are consumed by your business in the production of the subject goods and in what amounts, and the amount of duty paid or payable on the inputs (including any allowance for waste).

As explained in response to the questions above, the Turkish Government has an online e-portal system in place which enables it to track importation and exportation to prevent any over-rebate or excess drawback.

16. Explain how the government determined the percentage rate of duty exemption.

Please note that goods consumed in the production of exported goods (inputs) include:

- *goods incorporated into the exported goods; and*
- *energy, fuel, oil and catalysts that are used or consumed in the production of the exported goods.*

The exemption applies to all import duties and value added tax ("VAT") for raw materials used in the production of the exported products.

17. Provide a representative sample of copies of import entry documents listed in worksheet "**H-4 Imported Goods**" (for example: bill of entry, invoice from supplier, etc.) for each type of importation covering duty-exempt or VAT exempt imports and duty-paid imports use in the manufacture of the subject goods.

Please refer to Attachment H-4-17 [CONFIDENTIAL EXHIBIT] for sample copies of import entry documents, including a translated template of the relevant form submitted to Turkish Customs on entry of the raw materials.

18. In addition to the import entry documents, you must also provide copies, if applicable, of any applications submitted to and/or approval document received from the government relating to the exemption from the payment of import duty on imported inputs and in relation to the amount of benefit in relation to the exportation of the subject goods.

The application for drawback and tracking of imports and exports is all done on-line through the portal which is linked to the Turkish Customs authority electronic

entry system. As well as that on-line information, after acceptance of an application the Ministry of Economy sends correspondence regarding the issuance the IPC.

Please see Attachment H-4-18 [CONFIDENTIAL EXHIBIT] for the sample copy of said correspondence.

19. Provide copies of reports and audits by the government authority responsible for administering the import duty exemption scheme with respect to the verification of the importation and use of inputs and the remittance or drawback of the related duty paid or payable.

Habaş does not have copies of reports or audits that the government authorities might have prepared and is not aware of any. The Ministry of Economy examines each IPC to see whether a company has met and not exceeded its export commitment against the quantity of imported goods, taking into account the waste ratios in the system. If the commitments are met, afterwards the Ministry sends official correspondence for each IPC confirming the closure of the IPC.

Please see Attachment H-4-19 [CONFIDENTIAL EXHIBIT] for a sample copy of said correspondence.

H-5 Preferential Loans/Financial Assistance (Programs 13 to 20)

It is our understanding that certain enterprises in Turkey benefit from low (subsidised) interest rates or credit facilities from state owned commercial banks (SOCB) and government banks.

If your business or a related business received benefits under any such program during the period **1 October 2014 to 31 September 2018**, answer the following questions.

Among the listed Programs 13 to 20, Habaş has a record of having participated in Program 17 – Rediscount Program.

1. Provide give a general overview of how your company secures necessary financial resources on the financial market (e.g. Loans, issuance of bonds etc.)

Habaş uses short-term and long-term loan financing.

Provide answers to the following questions in "H-5 Preferential Loans".

2. Provide a list of all the loans provided to your company from banks and financial institutions which have not been fully reimbursed by the end of the investigation period.

Please refer to Attachment H-5 [CONFIDENTIAL EXHIBIT].

3. Provide specific details of the loan, including the start date of the loan, the principal amount of the loan, terms and conditions of the loan, purpose of the loan, the repayment terms/frequency, repayment amount, interest rate, interest type (e.g. fixed, variable etc.), if the loan has been redrawn any time during its duration, please provide the redraw date, amount and the reason for redraw.

Please refer to Attachment H-5 [CONFIDENTIAL EXHIBIT].

4. Indicate whether each bank is Turkish or foreign-owned and give the percentage of government ownership of each bank (including ownership by entities owned or controlled by a government).

Please refer to Attachment H-5 [CONFIDENTIAL EXHIBIT] (columns C and D).

5. In the case of each loan from government-owned or controlled bank, please explain the reason for borrowing from such a bank rather than a commercial bank. What are the differences in the terms and conditions of loans between the government and commercial banks?

Since the application and approval procedures are easier and faster in EximBank, Habaş prefers to use Exim bank loans.

With respect to any differences in the relevant period please refer to Attachment H-5 [CONFIDENTIAL EXHIBIT].

6. Explain how the decisions to grant the loan or its conditions are dependent on the purpose of the loan and give details on the process your company went through to apply for the loan. Please provide detail on what conditions or criteria your company needed to fulfil to be granted the loan.

A loan of this type can be provided to Turkish manufacturers, exporters, and manufacturer-exporters with a maturity up to 360 days. An export commitment is required.

This program covers export transactions based on cash against documents, cash against goods, and irrevocable letters of credit. Under this loan, promissory notes are issued by exporters in favour of Turk EximBank. The exporter must have an

“aval” (a guarantee) of a commercial bank that has a short-term letter of guarantee limit with Turk EximBank.

To apply for the loan, Habaş requests a commitment letter from the commercial bank in order to receive financing. At the same time as the commercial bank is preparing the commitment letter, Habaş prepares a credit request form to be sent to Turk EximBank for its review.

If Turk EximBank accepts the request, the commercial bank and Habaş mutually prepare and eventually sign a security bond (promissory note). The credit approval form itself is used as a legally binding contract, which is signed by Habaş and sent to Turk EximBank.

During this time, Habaş prepares a declaration, while the commercial bank prepares and signs a guarantee confirmation letter. The commercial bank collects its guarantee commission from the exporter.

Please refer to Attachment H-5-7 [CONFIDENTIAL EXHIBIT] for samples of these documents and the process, which have been provided in both Turkish and in English.

In rediscount loans all interest payable by the exporter to Turk EximBank is deducted from the principal amount of the loan when it is issued. Thus, on the security of a promissory note that was availed (guaranteed) by a commercial bank with a face value of \$100,000 USD, Habaş would receive \$96,000 on the receipt date from Turk EximBank because Turk EximBank calculates and collects the interest in advance). On the maturity date of the rediscount loan, Habaş would repay the \$100,000 to Turk EximBank under the terms of the note.

In addition to the up-front discount, Habaş also incurs an additional cost by paying a commission – an aval fee –to the commercial bank for the promissory notes guaranteed by the commercial bank. The aval cost incurred by Habaş in the relevant loan transactions is also reported in the Attachment H-5 [CONFIDENTIAL EXHIBIT] table.

7. For each of the loans listed, provide copies of signed loan agreements between the bank which provided the loan and company which was the addressee of the loan specifying the conditions of the loan such as amount, term of repayment, interest rate etc. Also provide a copy of your application for the loan.

*Note: If your company has more than one loan from same bank/financial Institution which were not repaid by the end of the investigation period and the loan agreements for these loans are standardised, it is sufficient **at this stage** to provide an English translation for one of them only (e.g. If your company has multiple loans from one particular bank which only differ in amounts you only need to translate one of them into English for your questionnaire response. However it is necessary to translate all credit line agreements from which loans not repaid by the end of the investigation period were drawn.*

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Habaş does not have a loan agreement with respect to guarantees under the rediscount program. Habaş submits an application form and the other documents required as a bond/guarantee.

Please refer to Attachment H-5-7 [CONFIDENTIAL EXHIBIT] for copies of application and approval documents.

8. Please explain whether the granting of the specific loan depended on the link between the purpose of the loan and the goals specified in any government plan or development program. Provide a copy of the laws, regulations, administrative guidelines and any other acts relevant for the operation of this lending with any subsequent amendments. Also include a copy of any governmental or development plan of which the scheme represents a direct implementation.

As explicitly stated on Turk Exim Bank's web-page, the purpose of such a loan is to finance companies which are exporting goods and earning foreign exchange. See <https://www.eximbank.gov.tr/en/product-and-services/credits/short-term-export-credits/rediscount-credit-program#general-information> Habaş is not aware whether there is a link between the purpose of Turk EximBank loans and any government plan or development program.

Habaş does not have any copies of laws, regulations, administrative guidelines and any other acts relevant to the operation of this lending. Habaş obtained the information on the specifications or requirements of the loans it used from Turk EximBank from Turk EximBank's web-page.

9. For each loan application, please explain the involvement of third parties such as government departments, local councils, party committees in the whole process since the application for the loan up to the decision whether the loan is granted or not.

Habaş directly applies to Turk EximBank, and Turk EximBank then makes the decision whether to grant the loan or not. So far as Habaş is aware there are no third parties involved other than those described in its previous answers.

10. In the "H-6 Preferential Loans" spreadsheet, provide the information requested on guarantees for the loans provided to your company.

Please see the Exhibit H-5 - Loans spreadsheet [CONFIDENTIAL EXHIBIT].

11. Please give details of all loan applications during the investigation period which were refused; give the name of the bank, the amount of the loan requested and the reasons for refusal.

Not applicable in that none of the loan applications were refused.

12. Provide any other information you may deem necessary for the commission to make an assessment on the subsidisation of producers/exporters of the product under investigation. You may adjust the table in the "Loans" tab as necessary to include this additional information.

As noted above, when receiving a rediscount loan from Turk EximBank Habaş incurs an additional cost by way of a commission – known as "aval" (guarantee) fee –that it must pay to the commercial bank for the promissory notes guaranteed by the commercial bank.

Therefore Habaş has inserted two columns headed "Other expenses" into the preferential loan table, in order to report the aval commission it paid in the course of receiving rediscount loans from Turk EximBank.

H-6 Direct Transfer of Funds (Program 21)

1. Complete the worksheet named "H-5 Transfers"
- This worksheet is a table of the grants received by company over the period plus the **TWO** preceding years.
 - You must provide this table in electronic format using the template provided.
 - If you have used formulas to complete this worksheet, these formulas must be retained.

The questions are not applicable, in that Habaş did not receive any grant during the period, or in the two preceding years, under alleged *Program 21 – Industrial R&D Projects Grant Program*, or indeed any grants or any other direct financial contribution.

Therefore, Habaş has not responded to the below questions.

2. Provide a copy of your company's non-operating income and/or other business income ledgers, extracted directly from your accounting system, for the period covering the period plus the **TWO** preceding years.
3. Did your company receive any grants (or any other financial contribution) from any level of government during the investigation period and the two preceding years?

If yes:

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- a. Were any of the grants related to any program listed in the table at the top of Section H above? If yes, identify the program.
 - b. Were any of the grants related to programs not listed in the table at the top of Section H above? If yes, provide the names of the programs.
4. In relation to this program please address the following:
- a. What is the name of the grant?
 - b. What is the name of the authority providing the grant?
 - c. What is the eligibility criteria to receive the grant?
 - d. Is the grant directly related to the goods under consideration, export sales to Australia and/or export sales generally?
 - e. Provide details of the application process.
 - f. Provide a copy of the blank application form. If the documents are not in English, please provide a translation of the documents.
 - g. Provide a copy of your company's completed application form, including all attachments to the application form. If the documents are not in English, please provide a translation of the documents.
 - h. Provide a copy of any confirmation or other correspondence from the authority approving the grant. If the documents are not in English, please provide a translation of the documents.
 - i. Provide evidence of any payments received by your company in respect of receiving the grant (e.g. bank statements).
 - j. Provide a copy of the accounting journal entries relating to the grant.
 - k. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the grant.

H-7 Other Category Programs (Programs 22 to 24)

1. Indicate whether your company benefited from any of the listed programs.

Habaş has business units operating in Elazığ and Hatay for gas production. The business units received social security premium exemptions under Law 6486 Amending Art 81 of the Law 5510 Social Security and Universal Health Insurance Law. The support under the Law 5510 is regional, since it covers the provinces listed in the Decision of Council of Ministers.

Please see Attachment H-7-1 for a copy of Law 5510 and the list of provinces covered by the Law.

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2. If yes, indicate which goods you produced that benefited from the program (e.g. the program may have benefited all production, or only certain products that have undergone research and development).

Benefit received for the employees working in gas production in Elazığ and Hatay. Thus, the benefit is not related with Habaş's steel production.

3. Describe the application and approval procedures for obtaining a benefit under the program.

No application or approval process applies. An employer records the deduction in its social security filings.

4. Where applicable, provide copies of the application form or other documentation used to apply for the program, all attachments and all contractual agreements entered into between your business and the Government of Turkey in relation to the program.

Not applicable, in that no application or approval process applies.

5. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program.

No fees or expenses are incurred by Habaş with respect to the Program.

6. Outline the eligibility criteria your business had to meet in order to receive benefits under this program.

The criteria for the benefits concerned are these:

- **having a unit in two provinces covered by the Law 5510;**
- **employing more than 10 workers in that unit; and**
- **not owing any social security premium or administrative fee to the GOT.**

7. State whether your eligibility for the program was conditional on one or more of the following criteria:

PUBLIC RECORD

- a. whether or not your business exports or has increased its exports;
- b. the use of domestic rather than imported inputs;
- c. the industry to which your business belongs; or
- d. the region in which your business is located.

The support is regional. It applies to the provinces listed in the Decision of Council of Ministers.

8. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.

The benefit is objectively provided based on the criteria set out in the law. Please refer to Attachment H-7.1.

9. What records does your business keep regarding each of the benefits received under this program? Provide copies of any records kept in relation to the program.

Habaş files monthly social security filings with the Turkish Social Security Institution.

Please see Attachment H-7-9 [CONFIDENTIAL EXHIBIT] for copies of Habaş's social security filings for the IP, with the exemption amount highlighted.

10. Indicate where benefits under this program can be found in your accounting system (i.e., specify the ledgers or journals) and financial statements.

Habaş records the benefit amount under Account [CONFIDENTIAL TEXT DELETED – account name and code]. The benefit amount for the period was [CONFIDENTIAL TEXT DELETED – number] TL, which also can be seen from Attachment H-6-2 [CONFIDENTIAL EXHIBIT].

11. To your knowledge, does the program still operate or has it been terminated?

Yes, the program still operates.

12. If the program has been terminated, please provide details (including when and why). When is the last date that your business could apply for or claim benefits under the program? When is the last date that your business could receive benefits under the program?

If the program terminated has been substituted for by another program, identify the program and answer all the questions in category H-7 in relation to this program.

Not applicable, in that the Program has not been terminated.

H-8 Investment Incentive Program (Program 25)

The application refers to the Investment Encouragement Program implemented by Customs Duty and VAT Exemptions Council Ministers' Decree 2012/3305. The existence of this program was identified as Program No. I - Investment Incentive Program by the Government of Turkey in its *New and Full Notification Pursuant to Article XVI:1 of the GATT 1994 and Article 25 of the Agreement on Subsidies and Countervailing Measures* (the notification), dated 31 August 2017. The notification outlines the policy objective of this program.

The notification lists four different incentive schemes and nine different exemption measures that are in the scope of the program. These schemes and measures as set out in the notification are provided below. For the purpose of this questionnaire, each scheme listed in the Government of Turkey's notification will be treated as a program.

Scheme No.	Program (Scheme) Name	Measures
I.	General Investment Incentive Scheme	i. Customs duty exemption ii. VAT exemption iii. Income Tax Withholding Support (Only for Region 6)
II.	Regional Investment Incentive Scheme	i. Customs duty exemption ii. VAT exemption iii. Tax deduction iv. Social security premium support - Employer's share v. Interest support (For Region 3,4,5 and 6) vi. Land allocation vii. Social security premium support -Employee's share (Only for Region 6) viii. Income Tax Withholding Support (Only for Region 6)

PUBLIC RECORD

Scheme No.	Program (Scheme) Name	Measures
III.	Large Scale Investment Incentive Scheme	i. Customs duty exemption ii. VAT exemption iii. Tax deduction iv. Social security premium support - Employer's share v. Land allocation vi. Social security premium support -Employee's share (Only for Region 6) vii. Income Tax Withholding Support (Only for Region 6)
IV.	Strategic Investment Incentive Scheme	i. Customs duty exemption ii. VAT exemption iii. Tax deduction iv. Social security premium support - Employer's share v. Interest support (For Region 3,4,5 and 6) vi. Land allocation vii. VAT Refund viii. Social security premium support -Employee's share (Only for Region 6) ix. Income Tax Withholding Support (Only for Region 6)

To the extent that any of the schemes and measures listed above are separately identified in Table H-1 please indicate this in your response to the questions from Section H in relation to the particular program. Otherwise complete a response to the following for each program.

1. Indicate whether your company benefited from any of the programs listed above.

Habaş has regional investment encouragement certificates in relation to investments on non-subject merchandise, i.e. for its gas section and port investment.

PUBLIC RECORD

2. If yes, indicate which goods you produced that benefited from the program (e.g. the program may have benefited all production, or only certain products that have undergone research and development).

As referred to above, the regional investment encouragement certificates relate to investments on non-subject merchandise, i.e. for gas section and port investment. Since the benefits received under these regional investment certificates are not in relation to subject good production, Habaş does not respond below questions.

3. Describe the application and approval procedures for obtaining a benefit under the program.
4. Where applicable, provide copies of the application form or other documentation used to apply for the program, all attachments and all contractual agreements entered into between your business and the Government of Turkey in relation to the program.
5. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program.
6. Outline the eligibility criteria your business had to meet in order to receive benefits under this program.
7. State whether your eligibility for the program was conditional on one or more of the following criteria:
- a) whether or not your business exports or has increased its exports;
 - b) the use of domestic rather than imported inputs;
 - c) the industry to which your business belongs; or
 - d) the region in which your business is located.
8. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.
9. What records does your business keep regarding each of the benefits received under this program? Provide copies of any records kept in relation to the program.
10. Indicate where benefits under the program can be found in your accounting system (i.e., specify the ledgers or journals) and financial statements.
11. To your knowledge, does the program still operate or has it been terminated?
12. If the program has been terminated, please provide details (including when and why). When is the last date that your business could apply for or claim benefits under the program? When is the last date that your business could receive benefits under the program?

H-9 Other Programs

1. Provide a list of all the provinces in which you have business operations (including locations of factories, sales offices, or other places of business).

Habaş's headquarters are in İstanbul, Turkey. Habaş produces carbon steel billets, rebar, hot-rolled coils and wire rod at its plant in Aliaga, Turkey, which is located near Izmir, in the Aegean region of the country.

2. Are you aware of any programs of the Government of Turkey, any of its agencies or any other authorised body, that provide benefits manufacturers of the goods that have not been accounted for in this questionnaire? Provide the name of those programs you are aware of (even if your company is not eligible to receive benefit under the program.)

For the purposes of full cooperation, Habaş would like to report certain Turkish Government programs which are not specific and which have been found not to be countervailable in countervailing duty investigations conducted by the US Department of Commerce. Nonetheless, the amount of support from each such program in the period concerned is reported in Attachment H-6-2 [CONFIDENTIAL EXHIBIT]. As is evident from Attachment H-6-2 [CONFIDENTIAL EXHIBIT], the support amounts are negligible.

- **Minimum Wage Support** - some portion is covered by the Treasury to reduce the employment cost of companies with respect to disabled, old-age and death-insured employees, broadly across the country and without discriminating against any sector, region or company.
- **Employment of Handicapped Staff** - some portion is covered by the Treasury to encourage businesses to employ handicapped personnel, broadly across the country and without discriminating against any sector, region or company.
- **Employment of Unemployed** - some portion is covered by the Treasury to reduce the unemployment level, broadly across the country and again without discriminating against any sector, region or company.
- **Employment of Additional Employee** - employers may deduct 5 % of their share of social security payments provided that certain conditions are met. The three criteria are:
 - **employer's timely submission of required documents for premiums and service to the Social Security Administration;**
 - **the employer's payment of premiums corresponding to the insured employee's share which are not covered by the Treasury (Employer's share after deduction of five percent Treasury contribution) for all insured employees are made within legal time limits; and**

PUBLIC RECORD

- the absence of any debt to the Government for premium, administrative fine or related late fees or penalties for delay to the Social Security Administration.

This deduction is implemented without discriminating any sector, region or company.

The above listed programs are implemented country-wide and therefore are not specific to any sector, region or company.

In addition to these support programs, Habaş also received assistance from MESS (Turkish Employers' Association of Metal Industries) which is not a government authority. Thus, the assistance received from MESS cannot be deemed as a subsidy as there is no involvement of any government authority. The US Department of Commerce has also found accordingly.

Apart from above listed programs; Habaş is not aware of any other programs of the Government of Turkey.

3. Indicate the location of the program by region, province or municipal level.

Please refer to Habaş's detailed response to question H-9-2 above.

4. Indicate the type of program, for example:

- the provision of grants, awards or prizes;
- the provision of goods or services at a reduced price (e.g. electricity, gas, transport);
- the reduction of tax payable including income tax and VAT;
- reduction in land use fees;
- loans from Policy Banks at below-market rates; or
- any other form of assistance.

Please refer to Habaş's detailed response to question H-9-2 above.

For **each program** that you have identified, answer the following.

In view of the detailed response to question H-9-2 above, Habaş has not responded to the remaining questions.

PUBLIC RECORD

5. Indicate whether your company benefited from any of the listed programs during the period.
6. Indicate which goods you produced that benefited from the program (e.g. the program may have benefited all production or only certain products that have undergone research and development).
7. Describe the application and approval procedures for obtaining a benefit under the program.
8. Where applicable, provide copies of the application form or other documentation used to apply for the program, all attachments and all contractual agreements entered into between your business and the Government of Turkey in relation to the program.
9. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program.
10. Outline the eligibility criteria your business had to meet in order to receive benefits under this program.
11. State whether your eligibility for the program was conditional on one or more of the following criteria:
 - a) whether or not your business exports or has increased its exports;
 - b) the use of domestic rather than imported inputs;
 - c) the industry to which your business belongs; or
 - d) the region in which your business is located.
12. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.
13. What records does your business keep regarding each of the benefits received under this program? Provide copies of any records kept in relation to the program.
14. Indicate where benefits under this program can be found in your accounting system (i.e., specify the ledgers or journals) and financial statements.
15. To your knowledge, does the program still operate or has it been terminated?
16. If the program has been terminated, please provide details (including when and why). When is the last date that your business could apply for or claim benefits under the program? When is the last date that your business could receive benefits under the program?

If the program terminated has been substituted for by another program, identify the program and answer all the questions that may be relevant to this new program.

EXPORTER'S DECLARATION

I hereby declare that Habaş Sınai ve Tıbbi Gazlar İstihsal Endüstrisi A.Ş. completed the attached questionnaire and, having made due inquiry, certify that the information contained in this submission is complete and correct to the best of my knowledge and belief.

Name : FİKRİYE FİLİZ HASESKİ

Signature :

A handwritten signature in blue ink is written over a purple rectangular stamp. The stamp contains the text "HABAS SINAİ VE TIBBİ GAZLAR İSTİHSAL ENDÜSTRİSİ A.Ş." in a stylized font.

Position in

Company :DEPUTY GENERAL MANAGER OF EXTERNAL OPERATIONS

Date :11/January / 2019

APPENDIX

GLOSSARY OF TERMS

This glossary is intended to provide you with a basic understanding of technical terms that appear in the questionnaire.

Adjustments

To enable a fair comparison between the export price and the normal value Australian legislation provides for the adjustment of the domestic price paid for like goods. Adjustments are made to account for sales occurring at different times, specification differences, and differences in the terms or circumstances of the sales. The adjustment to the normal value may be upward or downward. Areas where you believe an adjustment is necessary should be identified. Section E of the questionnaire refers.

Examples of adjustments that may be made include: *sales occurring at different times* (it is sometimes necessary to compare domestic and export sales made at different times - in these circumstances an adjustment may be made to reflect price movements during that time); *specification differences*; *packaging*; *taxes*; *level of trade*; *advertising*; *servicing/warranty*; *inland freight*; *warehousing*; *export charges*; *credit terms*; *duty drawback*; *commissions*.

Adjustments may also be required where the normal value is based on costs to make and sell.

Arms length

Sales are not considered to be at "arms length" on your domestic market if there is any consideration payable for the goods other than their price, or there is an association between the buyer and the seller which affects the price, or there will be a reimbursement, compensation or benefit for, or in respect of, the price.

Constructed value

In cases where prices paid for like goods sold in the country of export cannot be used for the determination of normal value, i.e. when there are no or insufficient sales or where such sales were not made in the ordinary course of trade, normal value may be based on a constructed value. Constructed value is calculated on the basis of the cost of production of the goods under consideration plus a reasonable amount for selling, general and administration costs, and for profits, that are associated with sales on the domestic market of the country of export.

Cost of production/manufacturing

The cost of production or manufacture consists of all manufacturing costs associated with the goods. It is the sum of direct materials, direct labour and factory overheads.

Cost to make and sell

The cost to make and sell is the sum of the cost of production or manufacture, and the selling, general and administration costs associated with the sale of those goods.

Country of origin

The country in which the last significant process in the manufacture or production of the goods was performed.

Date of sale

The Commission will normally use the invoice date as recorded in the exporter or producer's records. Another date may be used if this better reflects the material terms of sale. The questionnaire directs attention to matching data sets of domestic and export sales where some other date is used, as well as matching cost information.

Direct labour cost

Direct labour is categorised as a variable cost, i.e. the value varies with the level of production.

Dumping

Dumping occurs when the products of one country are exported to another country at a price less than their normal value.

Dumping margin

Where the export price is less than the normal value the dumping margin is the amount of the difference. It can be expressed as a value or as a percentage of the export price.

Export price

The export price of the goods is usually the price paid or payable to the exporter in arms length transactions, in most instances calculated at the Free on Board (FOB) level.

Exporting country

The country of export is normally the country of origin from which the goods are shipped. The country of export may be an intermediate country, except where the products are merely transhipped through that country, or the products concerned are not produced in that country, and there is no comparable price in that country.

Factory overheads

Factory overheads consist of variable costs e.g. power, supplies, indirect labour and fixed costs e.g. factory rent, factory insurance, factory depreciation etc.

Goods under consideration (the goods)

The goods to which the application for anti-dumping action relates. That is, the goods that you have exported to Australia allegedly at dumped prices.

Incoterms

The following abbreviations are commonly used (comment is provided concerning costs that are normally borne by the seller):

EXW	ex works (the seller's minimum obligation as costs relate to goods being made available at the sellers premises)
FCA	free carrier (main carriage not paid by seller. Pay costs until such time that the goods have been delivered at the named point into custody of a carrier named by the seller. Customs formalities, taxes etc. paid if required)

PUBLIC RECORD

FAS	free alongside ship (main carriage not paid by seller. Deliver the goods alongside the ship)
FOB	free on board (main carriage not paid by seller. Deliver the goods on board, provide export clearance if required, pay loading costs to the point the goods have passed the ship's rail, pay customs formalities, taxes etc. payable upon exportation)
CFR	cost and freight (main carriage paid by seller. Pay all costs until delivered as well as freight, loading and unloading, pay customs formalities, taxes etc. payable upon exportation)
CIF	cost, insurance and freight (main carriage paid by seller. Pay all costs as under CFR as well as marine insurance)
	The terms CFR and CIF are only used where goods are carried by sea or waterway transport
CPT	carriage paid to
CIP	carriage and insurance paid to
	the terms CPT and CIP are used as alternatives to CFR and CIF where the goods are carried by air, road, rail etc.
DAF	delivered at frontier (goods carried by rail or road and cleared for export at the named place at the frontier. Pay costs until delivered at the frontier plus any discharge costs incurred to place the goods at the customer's disposal)
DES	delivered ex ship (goods made available to the buyer on board the ship uncleared for import at the named port of destination. Pay all costs incurred in placed at the disposal of the buyer, pay customs formalities, taxes etc. payable upon exportation, and where necessary for transit through another country)
DDU	delivered duty unpaid (Pay all costs for carriage to the agreed point, pay customs formalities, taxes etc. payable upon exportation, and where necessary for transit through another country)
DDP	delivered duty paid (goods made available at the named place in the country of importation – all risks and costs being incurred by the seller including duties, taxes etc. incurred upon importation)

The period

A period defined by the Commission over which importations of the goods are examined.

Like goods

Like goods are goods sold on the domestic market of the country of export (or to a third country) that are identical in all respects to the goods or that, although not alike in all respects have characteristics closely resembling those of the goods. The term 'like goods' also refers to the goods produced by the Australian industry allegedly being injured by dumped imports.

Normal value

Australian legislation sets out several ways to assess "normal value".

The preferred method is to use the price paid for like goods sold for domestic consumption in the country of export. Usually, these sales are made by you, but there may be circumstances where it is appropriate to use sales made by other sellers on the domestic market.

Sale prices must be at arms length and in the ordinary course of trade. In the absence of relevant or suitable domestic sales, the normal value may be determined by constructing a price based on all costs to make and sell the goods, and an amount for profit. Alternatively the normal value may be ascertained using the price paid for like goods sold in the ordinary course of trade at arms length to customers in a country other than Australia, however this option is rarely used.

Finally, when a normal value cannot be ascertained by any of the above methods, or if no information is provided, the Commission will determine the normal value by considering all the relevant information, including the applicant's information. This allows the applicant's information to be used where sufficient information has not been furnished or is not available.

Where domestic price generally, and the trade of the exporting country are determined or substantially influenced by the government of the exporting country, an alternative/surrogate market economy is selected by the Commission and the normal value is determined as if the surrogate country were the export source.

Ordinary course of trade

Testing for "ordinary course of trade" includes a comparison of the selling price and the unit cost to make and sell for the same period. If sales in respect of a substantial quantity of goods over an extended period of time, usually 12 months, do not recover all costs and these losses are not likely to be recovered within a reasonable period of time, (again usually 12 months) then the sales are regarded as being not in the ordinary course of trade.

There may be circumstances where it is appropriate to use a period other than 12 months in assessing whether sales are in the ordinary course of trade.

Unprofitable sales are to be taken to have occurred in substantial quantities during an extended period where the unprofitable sales amount to 20% or more of the total volume of sales of the goods by the exporter over the period. An extended period of time is usually taken to be a period not less than 12 months. Where unprofitable sales are rejected, normal value is based upon remaining profitable sales provided they occur in sufficient number. Where all sales have been made at a loss, or profitable sales are insufficient, the normal value may be constructed from costs to make and sell.

Selling, general and administration expenses (SG&A)

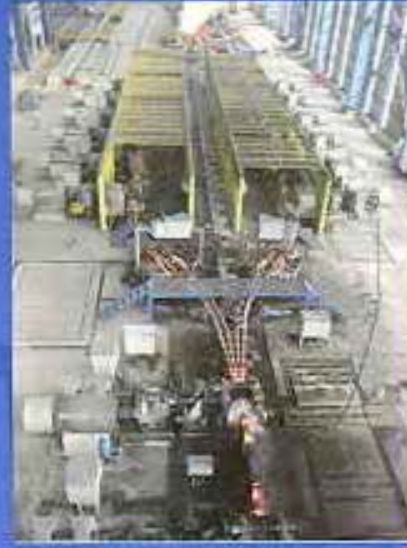
The selling, general and administration expenses includes all selling, distribution, general and administration expenses including finance costs that would be incurred if the goods were sold for domestic consumption in the country of export. The amounts are determined in each case using all the available information and may include expenses incurred in:

- domestic sales of like goods;
- sale of goods of the same general category by the exporter; or
- sales in the industry in the country of export.

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The expenses must, however, reflect the selling, general and administration costs of the goods. Administrative and selling expenses include: director's fees, management salaries and benefits, office salaries and benefits, office supplies, insurance, promotion, entertainment, depreciation and corporate overheads.

Exhibit A-2-11
Company Brochures





Habaş was founded by Mr. Hamdi Başaran in 1956 with the name " Hamdi Başaran Topkapı Oxygen Plant " to implement industrial gas production in a modern way and received its current name in 1964.

The march to growth has started in 1967 with the production of oxygen, nitrogen and argon gases in liquid form for the first time in Turkey at Topkapı / Istanbul plant.

Today, **Habaş** with high sales volume and outstanding export performance is one of the major companies of Turkey, producing industrial and medical gases, steel, electrical energy, manufacturing heavy machinery, distributing Liquified Petroleum Gas (LPG), Liquified Natural Gas (LNG) and Compressed Natural Gas (CNG), offering sea transportation services for LPG and operating sea ports. Having total 300 Mw power generating capacity, Habaş is one of the outstanding electricity provider for the domestic market.

Anadolubank Inc., based in Istanbul is in the structure of **Habaş Group** and one of the young, dynamic and high-growth promising banks of Turkish financial market. Aiming to specialize in business banking and retail banking areas, AnadoluBank Inc., has a special interest in risk management products, asset based lending, international project and structured trade finance transactions. , the abroad subsidiary based in Holland started its activities by the beginning of 2008, under full banking license and supervision of Dutch Central Bank.

Habaş having annual 3.200.000 mtons liquid steel production capacity, is one of the leading Turkish steel producers and has reputation on high export performance, recognized by the customers as an innovative, cost effective and high quality supplier.

Habaş Group is determined to maintain and enhance his competition superiority by continuous investment to new production lines and continuous improvement of his human resources.





Melt Shop

Habaş Melt Shop, taken into operation in 1987 has an annual capacity of 3.200.000 mtons of continuous cast steel billets.

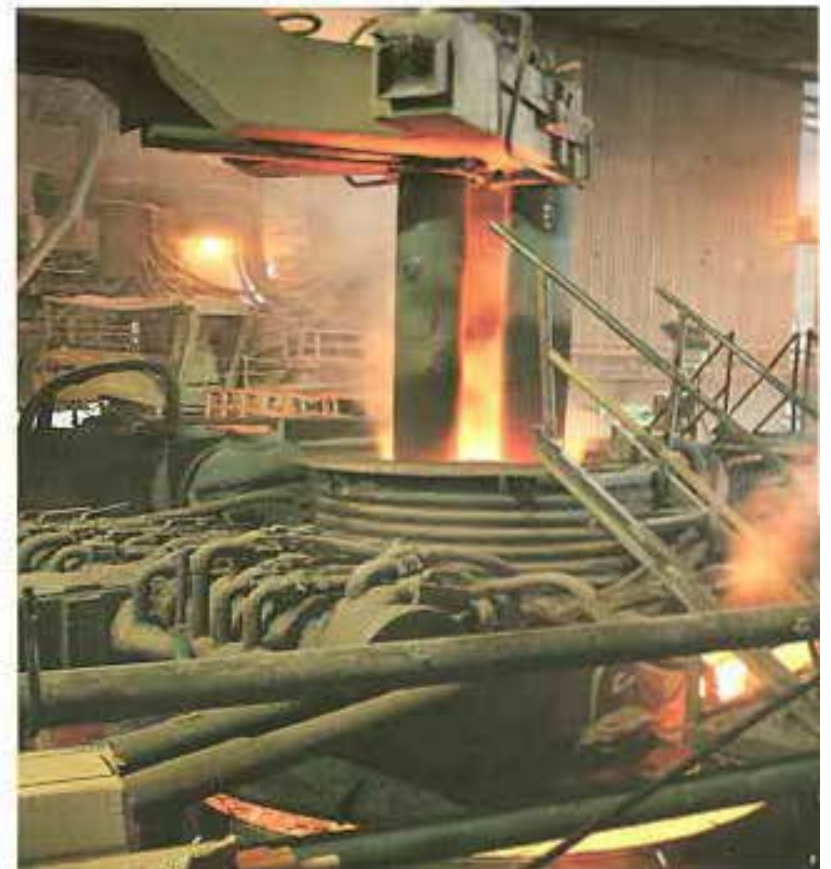
Habaş melt shop has;

- Scrapyard with a capacity of 300.000 tons which is equipped with scrap handling and loading cranes and scrap transfer cars;
- 2 electric arc furnaces with a capacity of 120 mtons each
- 4.500.000 capacity dust collection plant
- 2 ladle furnaces
- 2 continuous casting machine with 7-strands each
- Hot shear cut (Mechanical) or oxy flame cutting
- Turn over cooling beds,
- Open and covered stock yards.

Production range;

- Billets sizes range from 130 x 130 mm, 140 x 140 mm, 150 x 150 mm, 160 x 160 mm
- Billet lengths vary between 6 m to 12 m
- Custom packing is available.

Habaş Melt Shop can produce low, medium and high carbon steel billets and low alloy steel as per your request.



Melt Shop



Rolling Mills

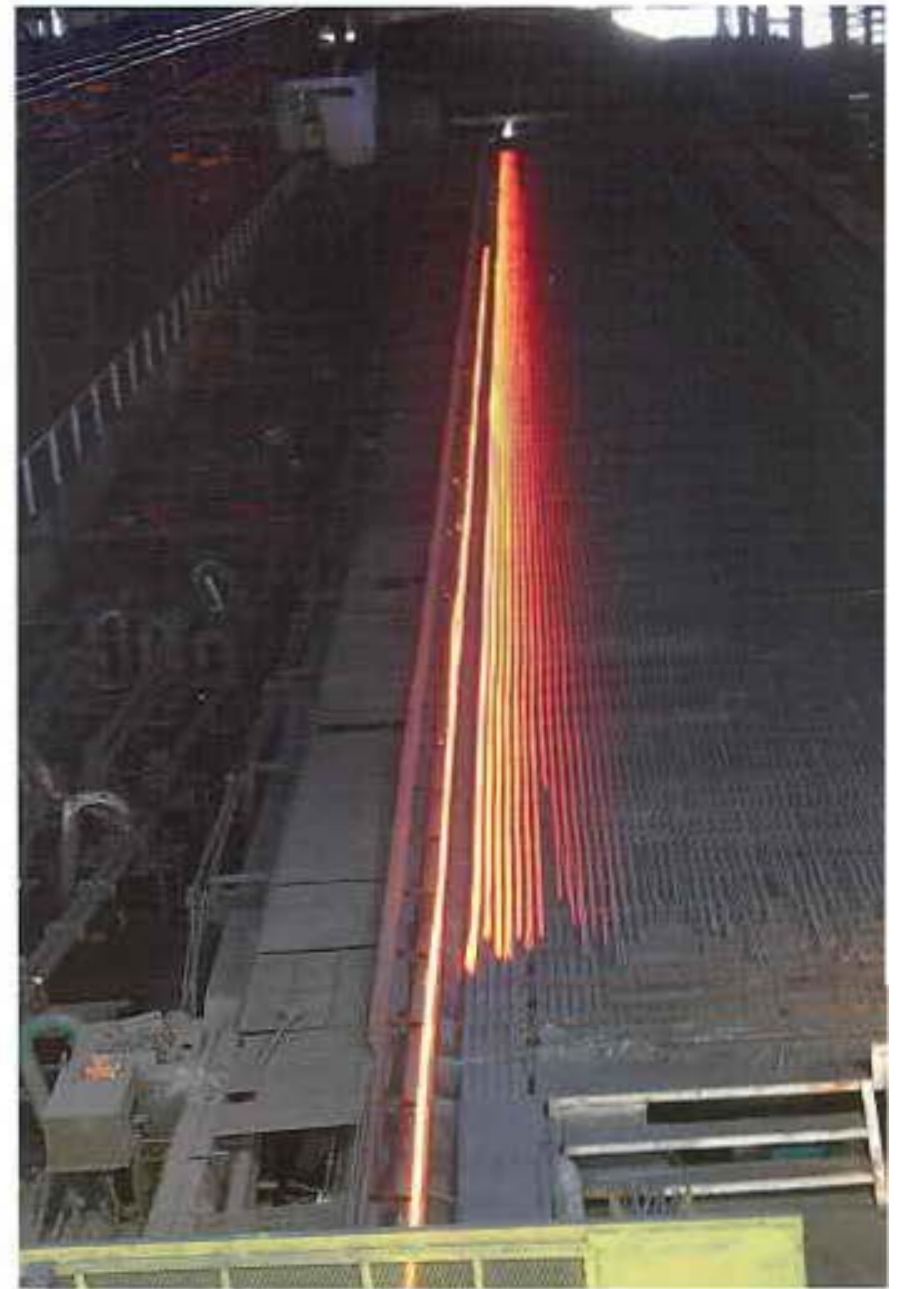
I. Debar Mill

Habaş rolling mill for round and deformed bars with an annual capacity of 800.000 tons has;

- 120 t/h capacity walking beam reheating furnace
- 18 continuous stands with a finishing speed of 22 m/sec.
- Cooling bed (78 meters of length)
- Cold shear
- Bar counting, bundling and transportation units
- Master computer system to control every stage of production

Production Range:

- Bars with a diameter of 8 mm to 12 mm are rolled with the slitting process.
- Round and deformed bars with a diameter of 14 mm to 50 mm.
- Bar lengths between 6 m-12 m
- Pacing Bundles up to 3 mtons are available as per customer's request.
- Bundles are kept in covered stock yards. Habaş can produce round and deformed bars according to international standards such as TSE, ASTM, BS, DIN, JIS etc.



HABAŞ

2. Debar Mill

Habaş rolling mill for round and deformed bars with an annual capacity of 1.185.000 tons has;

- 180 t/h capacity walking beam reheating furnace
- 25 continuous stands with a finishing speed of 20 m/sec.
- Cooling bed (120 meters of length)
- Cold shear
- Bar counting, bundling and transportation units
- Master computer system to control every stage of production

Production Range:

- Bars with a diameter of 8 mm to 12 mm are rolled with the slitting process.
- Round and deformed bars with a diameter of 14 mm to 50 mm.
- Bar lengths between 6 m-12 m
- Bundles up to 3 mtons are available as per customer's request.
- Bundles are kept in covered stock yard. Habaş can produce round and deformed bars according to international standards such as TSE, ASTM, BS, DIN, JIS etc.





Wire Rod Mill

Habaş wire rod mill with an annual capacity of 500.000 tons has;

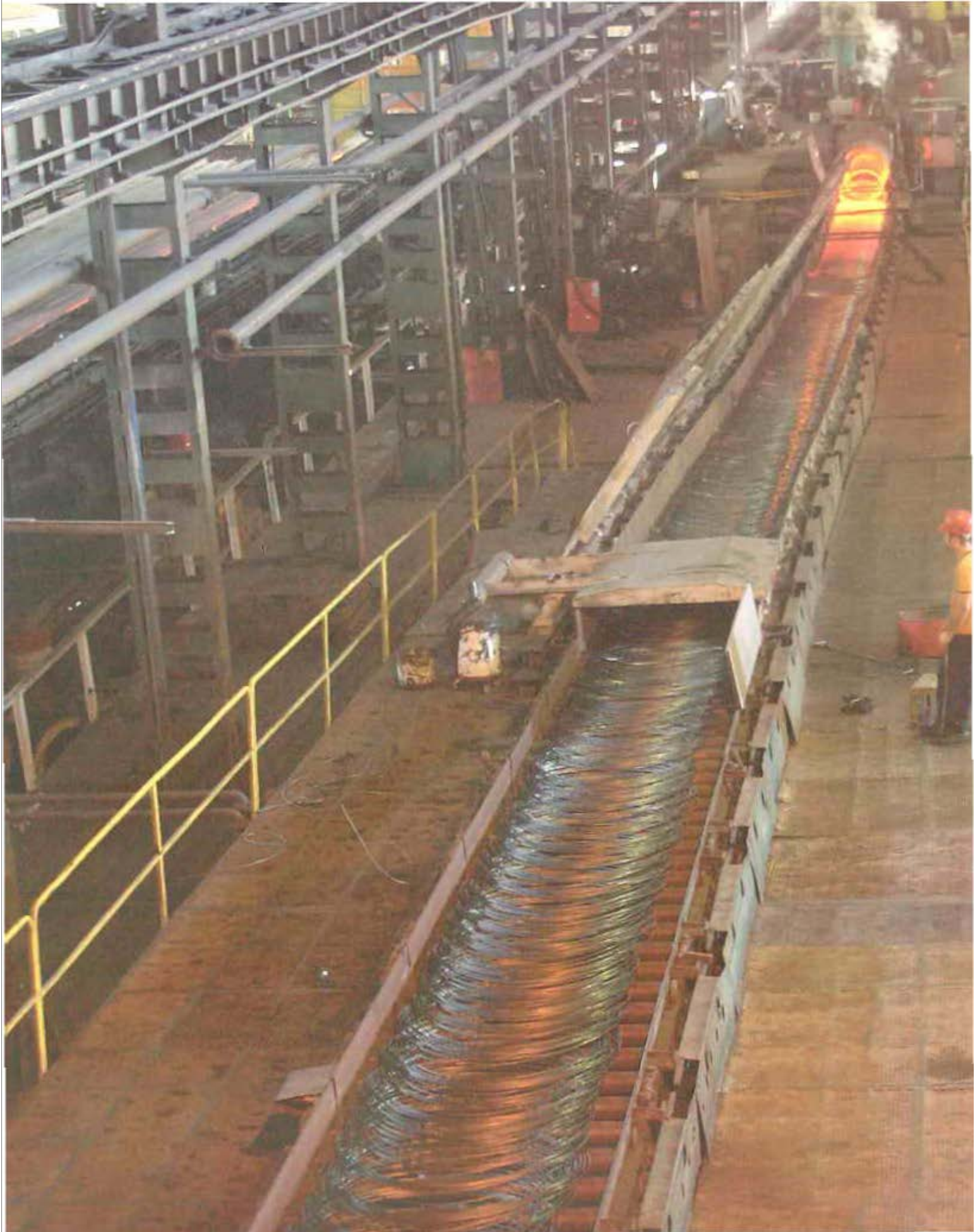
- 90 t/h capacity walking beam reheating furnace
- 16 continuous rolling stands
10 monoblock stands with a finishing speed of 100 m/sec
- Controlled cooling system (Stelmor)
- Coil packing system capable of compacting and binding in 4 different places
- Master computer system to control every stage of production.

Production Range:

- Wire rods with a diameter of 4,5 to 16 mm in round and deformed.
- Coil weight up to 1500 kgs.
- The internal diameter of the coil is 850 mm and the external diameter is 1250 mm
- Coils are stocked in covered warehouses. Habaş can produce round and deformed wire rods according to international standards such as ASTM, SAE, DIN, JIS etc.



Wire Rod Mill





Habaş Pier

Habaş pier as the first pier lies on the south part mouth of Nemrut Bay, and is located at:

- Lat $38^{\circ} 46' 03''$ North and long $026^{\circ} 55' 03''$ East.
- Length: 500 meters of which can be used both sides can be used
- Width: 22 meters
- Elevation: 4 meters above the sea level
- Depth: Westward side, 8 m to 20 m, Eastward side 9 m to 30 m



Habaş Pier



Quality

HABAŞ Quality Assurance and Quality System is certificated by
CARES, TSE and SGS



TSE
Quality Management System
Certification
TS EN ISO 9001:2000



CARES
Quality Management System
Certification
BS EN ISO 9001:2000



SGS
Quality Management System
Certification
ISO 9001:2000

Besides the ISO 9001:2000 Quality System Certificate, HABAŞ A.Ş. is honored with
"Product Conformity Certification" which proves the quality of it's products.



DCL - Certificate of Product Conformity
ASTM A 615-08, BS 4449:1997, BS 4449:2005



CARES - Product Conformity Certification
BS 4449 2005 Grade B 500B, BS 4449 1997 Grade 460B,
Plain round coil feedstock for Bs 4449 and 4482



Baustoffüberwachung BÜW - Certificate of Conformity
Concrete reinforcing steel accordance with DIN 488,
BST 500 S (B)



CERTIF - Product Conformity Certification A 500 NR



CSIC - Product Conformity Certification B500SD, B 500S



POLITECNICO DI TORINO - Product Conformity
Certification Fe B 44k



BULGAR KONTROLA

Certificate of Conformity 010 class A III, bars and coil
Certificate of Conformity 14 class B 420B, in bars and coils
Certificate of Conformity 014 class B 235, in coils



QUALITAS

Certificate of Conformity - Hot rolled steel
coils and bars for the reinforcement of concrete,
Type OB 37, Type PC 52



SIMPTEST - Certificate of Conformity - Steel bars for
reinforcing, steel grade Bst500S, Produced acc. to DIN 488



Service • Quality • Reliability

HABAS SINAİ ve TIBBİ GAZLAR İSTİHSAL ENDÜSTRİSİ A.Ş.

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AS/NZS 4671:2001
(Incorporating Amendment No. 1)

AS/NZS 4671

Australian/New Zealand Standard™

Steel reinforcing materials

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Standards Australia



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NEW ZEALAND**
PO BOX 12222 AUCKLAND

AS/NZS 4671:2001

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The following are represented on Committee BD-084:

Association of Consulting Engineers, Australia
Australian Chamber of Commerce and Industry
Australian Post Tensioning Association
Australian Steel Association
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This Standard was issued in draft form for comment as DR 98119.

AS/NZS 4671:2001
(Incorporating Amendment No. 1)

Australian/New Zealand Standard™

Steel reinforcing materials

Originated in Australia as part of AS A81—1958, AS A82—1958, AS A83—1958, AS A84—1958, AS A92—1958 and AS A97—1965.
Previous Australian editions AS 1302—1991, AS 1303—1991 and AS 1304—1991.
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Previous New Zealand editions NZS 3421:1975, NZS 3422:1975 and NZS 3402:1989 AS 1302—1991, AS 1303—1991, AS 1304—1991, NZS 3421:1975, NZS 3422:1975 and NZS 3402:1989 jointly revised, amalgamated and redesignated AS/NZS:4671:2001.
Reissued incorporating Amendment No. 1 (5 June 2003).

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PREFACE

This Standard was prepared by the Standards Australia/Standards New Zealand Committee BD/84, Reinforcing and Prestressing Materials, to supersede the following Standards:

AS 1302—1991	<i>Steel reinforcing bars for concrete</i>
AS 1303—1991	<i>Steel reinforcing wire for concrete</i>
AS 1304—1991	<i>Welded wire reinforcing fabric for concrete</i>
NZS 3402:1989	<i>Steel bars for the reinforcement of concrete</i>
NZS 3421:1975	<i>Specification for hard drawn mild steel wire for concrete reinforcement. Metric units</i>
NZS 3422:1975	<i>Specification for welded fabric of drawn steel wire for concrete reinforcement</i>

This Standard incorporates Amendment No. 1 (5 June 2003). The changes required by the Amendment are indicated in the text by a marginal bar and amendment number against the clause, note, table, figure or part thereof affected.

To permit the reinforcing steel and reinforced concrete design industries with time to adjust to the new Standard, the above six standards will remain current and will be withdrawn 12 months from the date of publication of this Standard.

The objective of the Standard is to provide a single specification of material requirements for steel bars, wire and mesh, intended for use in reinforced concrete structures which have been designed in accordance with AS 3600 or NZS 3101.1.

Differences between this Standard and current Standards are briefly outlined below.

1 General

A major departure from the current Standards is that this document applies to reinforcement generally, irrespective of the process of its manufacture.

Although closely aligned technically with both ISO 6935, *Steel for the reinforcement of concrete*, and the European Pre-Standard DDENV 10080, *Steel for the reinforcement of concrete—Weldable ribbed reinforcing steel B500 — Technical delivery conditions for bars, coils and welded fabric*, the Standard is not classed as ‘technically equivalent’ to either of these documents primarily because—

- (a) both ISO 6935 and ENV 10080 require mandatory third party assessment of compliance, contrary to the principles of Standards Australia and Standards New Zealand in this regard (see Appendix A);
- (b) ISO 6935 does not contain specific requirements appropriate for reinforcement for earthquake-resistant structures; and
- (c) consequent differences in both the text and numerical values, although minor in nature, are too numerous to meet the strict definition of ‘technically equivalent’.

In choosing to vary the above documents where they considered it necessary, the Committee took into account the fact that, to date, neither document has found wide acceptance.

2 Strength grades

Only three strength Grades have been considered, i.e., those having lower characteristic yield strengths of 250 MPa, 300 MPa and 500 MPa respectively. The 500 Grade material replaces the Grade 400/450 Australian and the Grade 430/485 New Zealand materials, while

the Grade 300 material corresponds closely to the current New Zealand Standard. Plain round material other than grade 300E is required to correspond to AS/NZS 3679.

Requirements for Grade 500 steel have been developed from ENV 10080, while those for earthquake-resistant applications have been developed from the current edition of NZS 3402.

3 Ductility classes

The need to provide reinforcement with ductility appropriate to earthquake-resistant concrete structures, coupled with recent investigations into the structural consequences of the relatively low ductility of cold-worked reinforcement, has led to the introduction of three ductility classes. These are distinguished in requirements by the letters 'L' (low), 'N' (normal) and 'E' (earthquake), placed immediately after the strength-grade number, corresponding with different minimum values for uniform elongation and maximum stress to yield stress ratio.

4 Chemical and mechanical properties

Adjustments have been made to the chemical composition, carbon equivalent, and mechanical properties parameters, as necessary, to satisfy the (sometimes conflicting) requirements of strength, ductility and weldability.

5 New inclusions

In addition to the items noted above the following new material has been included:

- (a) *Production control* in all stages of manufacture is a specific requirement (Clauses 6.3 and 8) with the details of how it is to be achieved being spelt out in Appendix B.
- (b) *Purpose-made meshes* are covered in Clause 7.5.4 and distinguished from the commonly available meshes, whereas only stock meshes were previously specified.
- (c) *Identification* rules for the standard strength grades and ductility classes are given and illustrated in Clause 9 so that the different materials can be readily differentiated visually on site and distinguished from previously manufactured materials.
- (d) *The bond test* in Appendix C has been introduced as an alternative means for demonstrating the ability of deformed reinforcement to develop sufficient bond to achieve its characteristic yield strength when embedded in concrete.

Statements expressed in mandatory terms in notes to tables are deemed to be requirements of this Standard.

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FOREWORD

Prior to 1995, responsibility for the Australian/New Zealand Standards on steel reinforcing and prestressing materials lay with Committee BD-023, Structural Steels, whose interest and expertise were mainly oriented toward materials for steel structures rather than for concrete structures. In recognition of this and in pursuance of the Memorandum of Understanding between Standards Australia and Standards New Zealand, a new joint Australian/New Zealand committee (BD-084) was formed in December 1994 to take on the specific responsibility of upgrading and harmonizing the relevant reinforcing and prestressing materials Standards of both countries.

At about this time, the results of international and local research indicated markedly different ductile behaviour between concrete members containing either hot-rolled or cold-rolled reinforcement. As this has consequent implications in the design and detailing for both normal and earthquake-resistant structures, concerns were being expressed regarding the status of the current high strength steels and, in particular, welded mesh.

The Australian Standards most directly affected by the latter material are AS 2870, *Residential slabs and footings*, and AS 3600, *Concrete structures*. The Committees responsible for those Standards (BD-025 and BD-002 respectively) have reviewed the implications of the proposals in this Standard and as a result have taken the following actions:

- (a) The latest edition of AS 2870 (June 1996) permits the substitution of ribbed-wire meshes, on an equivalent strength basis with a minimum uniform elongation requirement, for the plain-wire meshes generally specified in that Standard and foreshadows the introduction of this Standard.
- (b) Committee BD-002 has set up a special Working Group to investigate the consequences, in both design and detailing requirements, of using low ductility steels for reinforcement. As an interim measure, Amendment 1 to AS 3600—1994 (August 1996) introduced limitations on the use of this material in negative moment regions and flagged other areas where caution in its use should be exercised. When the investigations have been completed and all the results assessed, it is anticipated that further amendments will be necessary and that they will be published at or about the same time as this Standard.

While this Standard theoretically provides for three ductility classes and three strength grades, it should be realized that some of the possible combinations are not technically achievable in practice. Furthermore, from a simple commercial viewpoint, it is unlikely that all achievable combinations will be produced in either country. Specifically, it is envisaged that 500E steels are unlikely to be used in Australia, it being considered that Australia's generally low seismicity can be adequately accounted for by using Normal (N) class steels. Conversely, Normal class steels are unlikely to be used in New Zealand where the seismicity is generally high.

It is felt that this joint Standard will enable a number of significant benefits to the concrete construction industry, namely—

- (i) more efficient use of materials, and for designers to detail less congested reinforcing layouts (particularly in columns and walls) with the use of higher strength steels;
- (ii) more reliable member performance as a result of the clarification of minimum ductility levels;
- (iii) more uniform product as a result of tighter conformance requirements; and
- (iv) greater compatibility between 'design' and 'production' parameters (e.g. characteristic values),

all of which should lead to more efficient, reliable and cost effective concrete structures.

STANDARDS AUSTRALIA/STANDARDS NEW ZEALAND

Australian/New Zealand Standard**Steel reinforcing materials****1 SCOPE**

This Standard specifies requirements for the chemical composition and the mechanical and geometrical properties of reinforcing steel used for the reinforcement of concrete in the form of—

- (a) deformed or plain bars and coils;
- (b) machine-welded mesh; and
- (c) continuously threaded bars.

This Standard does not apply to prestressing steels, stainless steel reinforcement, epoxy-coated steels and galvanized steels.

NOTES:

- 1 Means for demonstrating compliance with this Standard are given in Appendix A.
- 2 Prestressing steels are covered by AS 1310, AS 1311, AS 1313.
- 3 Information on stainless steel reinforcement may be found in other internationally (accepted) Standards such as BS 6744 or ASTM A955M.

2 REFERENCED DOCUMENTS

The following documents are referred to in this Standard.

AS	
1199	Sampling procedures and tables for inspection by attributes
1310	Steel wire for tendons in prestressed concrete
1311	Steel tendons for prestressed concrete — 7-wire stress-relieved steel strand
1313	Steel tendons for prestressed concrete — Cold-worked high-tensile alloy steel bars for prestressed concrete
1391	Methods for tensile testing of metals
1399	Guide to AS 1199—Sampling procedures and tables for inspection by attributes
1554	Structural steel welding
1554.3	Part 3: Welding of reinforcing steel
2193	Methods for calibration and grading of force-measuring systems of testing machines
AS/NZS	
1050	Methods for the analysis of iron and steel
3679	Structural steel
3679.1	Part 1: Hot-rolled bars and sections
ISO	
A1	15630-1 Steel for the reinforcement and prestressing of concrete—Test methods, Part 1: Reinforcing bars, wire rod and wire
	15630-2 Steel for the reinforcement and prestressing of concrete—Test methods, Part 2: Welded fabric

SAI

HB 18 Guidelines for third-party certification and accreditation

HB 18.28 Guide 28: General rules for a model third-party certification scheme for products

3 DEFINITIONS

For the purpose of this Standard, the definitions below apply.

3.1 Ageing

Heating of the test specimen to $100 \pm 10^\circ\text{C}$, maintaining this temperature for a period of 1 h +15, –0 min and then cooling the specimen in still air to room temperature.

3.2 Bar

A straight length of reinforcing steel.

3.3 Characteristic value

3.3.1 Lower characteristic value (C_{vL})

The value of a property having a prescribed (high) probability (p) of being exceeded in a hypothetical unlimited series of standard tests.

NOTE: The probability of a test value being below this value is $(1 - p)$ at a confidence level of 0.9.

3.3.2 Upper characteristic value (C_{vU})

The value of a property having a prescribed (high) probability (p) of not being exceeded in a hypothetical unlimited series of standard tests.

NOTE: The probability of a test value being above this value is $(1 - p)$ at a confidence level of 0.9.

3.4 Decoiled steel

Reinforcing steel manufactured in coils and subsequently processed.

3.5 Deformed reinforcement

3.5.1 Indented reinforcement

Reinforcing steel with at least two rows of transverse indentations, which are distributed uniformly along the entire length.

3.5.2 Ribbed reinforcement

Reinforcing steel with at least two rows of transverse ribs, which are distributed uniformly along the entire length.

3.6 Mesh

Longitudinal and transverse bars of the same or different diameter and length, which are arranged substantially at right angles and factory electrical resistance welded by automatic machines at points of intersection.

3.7 Mesh, length of

The longest side of the mesh, irrespective of the manufacturing direction.

3.8 Mesh, longitudinal bars in

The reinforcing steel in the manufacturing direction of the mesh.

3.9 Mesh, overhang of

Length of longitudinal or transverse bars projecting beyond the centre of the outer crossing bar in the mesh. For twin bar mesh, the overhang is measured from the midpoint line of the adjacent bars (see Figure 3).

3.10 Mesh, pitch of

The centre-to-centre distance of bars in the mesh. For twin bar mesh, the pitch is measured between the midpoint of the adjacent bars (see Figure 3).

3.11 Mesh, purpose made

Mesh manufactured according to specific requirements.

3.12 Mesh, transverse bars in

Reinforcing steel perpendicular to the manufacturing direction of the mesh.

3.13 Mesh, twin bars in

Two bars of the same designation placed adjacent to each other as a pair.

3.14 Mesh, width of

The shortest side of the mesh, irrespective of the manufacturing direction.

3.15 Plain reinforcing steel

Reinforcing steel without surface deformations excluding identifying marks.

3.16 Reinforcing steel

Steel with a circular or practically circular cross-section, which is suitable for the reinforcement of concrete.

3.17 Rib, longitudinal

Uniform continuous protrusion parallel to the axis of the reinforcing steel.

3.18 Rib, transverse

Any protrusion on the surface of the product other than a longitudinal rib.

3.19 Steel producer

The organization responsible for producing reinforcing steel in bar or coil form from a hot-rolling process.

3.20 Steel processor

The organization responsible for subsequent processing of reinforcing steel supplied by a steel producer, which significantly changes the shape and properties of the steel. The processing may include cold-rolling, cold-drawing, decoiling and straightening, or automatic, electrical-resistance welding.

4 NOTATION

The following symbols are used in this Standard.

- A_{gt} = the percentage elongation at maximum force when tested in accordance with Appendix C, as a percentage
- A_s = the nominal cross-sectional area of a reinforcing steel, in millimetres squared
- a = pitch of bars in a mesh, in millimetres
- C_{vL} = lower characteristic value of a variable parameter
- C_{vU} = upper characteristic value of a variable parameter

- c = the longitudinal pitch of the transverse deformations measured parallel to the axis of the reinforcing steel, in millimetres
 d = the nominal diameter of a reinforcing steel, in millimetres
 f_p = the specific projected area of transverse indentations
 f_R = the specific projected area of transverse ribs
 g = the circumferential gap between deformations
 h = the rib height or indentation depth, in millimetres
 k_i = a coefficient
 L_n = the nominal length of a bar, in millimetres
 n = the number of tests in a series of tests; or
 = the number of longitudinal bars in a particular trench mesh
 R_e = the value of the yield stress (or 0.2% proof stress) determined from a single tensile test in accordance with AS 1391, in megapascals
 $R_{ek,L}$ = the lower characteristic value of the yield stress determined from a series of tensile tests, in megapascals
 $R_{ek,U}$ = the upper characteristic value of the yield stress determined from a series of tensile tests, in megapascals
 R_m = the value of the maximum tensile strength determined from a single tensile test in accordance with AS 1391, in megapascals
 u = edge overhang of a bar in a mesh, in millimetres
 w_c = the crest width of ribs
 w_i = the indentation width
 α = rib flank inclination (See Figure 2)
 β = angle of inclination between the centre-line of the transverse deformation and the longitudinal axis of the reinforcing steel (see Figure 1)

5 CLASSIFICATION AND DESIGNATION

5.1 Classification

Reinforcing steel shall be classified by—

- shape, as characterized by the presence or absence of ribs or indentations on its surface;
- strength grade, as specified by the lower characteristic value of its yield stress ($R_{ek,L}$);
- relative ductility, as characterized by its uniform elongation (A_{gt}) and ratio of tensile strength to yield stress (R_m/R_e);
- size, as characterized by its nominal diameter.

5.2 Designation

Each of the reinforcing steels described in Clause 5.1 shall be designated by distinguishing letters or numbers in the following manner:

- Shape—by the letters, R, D, or I, representing plain (Round), Deformed ribbed, or deformed Indented, surfaces respectively.
- Strength grade—by the numerical value of the lower characteristic yield stress expressed in megapascals.

- (c) Ductility Class—by the letters L, N or E representing Low, Normal or seismic (Earthquake) ductility respectively, in accordance with Table 2.
- (d) Size—by the numerical value of the nominal diameter expressed in millimetres.

The designators shall be stated in the order of shape, strength grade, ductility class and size.

Full designators shall be used in all communications unless the use of abbreviated forms causes no ambiguity, and the omitted characteristics can be readily distinguished or deduced.

NOTES:

- 1 For example, a deformed ribbed bar, of grade 500 MPa normal ductility steel with a nominal 16 mm diameter, would be designated as 'D500N16'.
- 2 In the example given in Note 1, if all the reinforcement ordered or required for a particular project was to be deformed ribbed bars of the same strength grade but varied in other characteristics, and there was a general note to this effect in the project plans and specifications, the designation may be abbreviated to 'N16'.

5.3 Standard grades

The standard grades of reinforcing steels, characterized by their strength grade and relative ductility class shall be as follows:

- (a) 250N.
- (b) 300E.
- (c) 500L.
- (d) 500N.
- (e) 500E.

5.4 Designation of welded mesh

Welded mesh shall be designated by distinguishing letters or numbers in the following manner:

- (a) Shape—by the letters, R, D, or I, representing plain (Round), Deformed ribbed, or deformed Indented, surfaces respectively.
- (b) Strength grade—by the numerical value of the lower characteristic yield stress expressed in megapascals.
- (c) Configuration of the orthogonal bars—by the letters S or R, representing Square or Rectangular configurations.
- (d) Ductility Class—by the letters L, N or E representing Low, Normal or seismic (Earthquake) ductility respectively, in accordance with Table 2.
- (e) Size—by the numerical value of the nominal bar diameter in the longitudinal direction, expressed in millimetres.
- (f) Transverse spacing of the longitudinal steel—by the numerical value of the transverse spacing, expressed in millimetres, divided by 100.
- (g) Transverse reinforcement for rectangular configured welded mesh—by the numerical value of the nominal bar diameter expressed in millimetres. Transverse reinforcement shall be of the same shape, strength grade and ductility class as the longitudinal reinforcing steel. Unless noted otherwise, transverse reinforcement is usually spaced at 200 mm centres.

The designators shall be stated in the order shape, strength, configuration, ductility, size, spacing and secondary reinforcement if applicable.

Full designators shall be used in all communications unless the use of abbreviated forms causes no ambiguity, and the omitted characteristics can be readily distinguished or deduced.

NOTES:

- 1 For example, a square mesh consisting of 9 mm diameter deformed ribbed bar at 200 mm centres, of grade 500 MPa low ductility steel, would be designated as 'D500SL92'.
- 2 In the example given in Note 1, if all the welded mesh ordered or required for a particular project was to be deformed ribbed bars, of the same strength grade but may vary in other characteristics, and there was a general note to this effect in the project plans and specifications, the designation may be abbreviated to 'SL92'.

6 MANUFACTURING METHODS

6.1 Production

Production methods, including method of deoxidization of the steel, shall be at the discretion of the steel producer and shall be reported if so requested.

6.2 Processing

6.2.1 Bars and coils

Processing methods for bars and coils shall be at the discretion of the steel processor and shall be reported if so requested.

Processing of coiled steel shall only be carried out in such a way that ensures the material properties of this Standard are met.

6.2.2 Mesh

All mesh shall be factory made and machine welded. The joints at the intersections of the longitudinal bars and the transverse bars shall be made by electrical resistance welding to provide shear resistant connections complying with Clause 7.2.5. Mesh that includes butt welded bars shall be permitted.

6.3 Manufacturing control

Production and processing shall be subject to continual control in accordance with Clause 8 and Appendix B.

7 CHEMICAL, MECHANICAL AND DIMENSIONAL REQUIREMENTS

7.1 Chemical composition and weldability

The chemical composition of the steels, expressed as percentages by mass of the non-ferrous constituents, shall be determined in accordance with the relevant item of Clause 8, and the results, including the calculated carbon equivalent, shall comply with the corresponding values specified in Table 1.

The carbon equivalent value (C_{eq}) shall be determined by the following equation:

$$C_{eq} = C + \frac{Mn}{6} + \frac{Cr + Mo + V}{5} + \frac{Ni + Cu}{15}$$

where the symbols of the chemical elements indicate their content in percent by mass.

The steels conforming to this Standard shall be deemed to be weldable under the conditions specified for each class in AS 1554.3.

7.2 Mechanical properties

7.2.1 General

Mechanical properties of the standard grades of reinforcing steels shall be determined in accordance with the relevant item of Clause 8 and the values obtained shall satisfy the appropriate criteria given in Table 2.

In all determinations of mechanical properties, the condition of test pieces at the time of testing shall be as given in Table 3.

TABLE 1
COMPOSITION OF REINFORCING STEELS

Type of analysis	Chemical composition, % max.							
	All grades			Carbon equivalent value (C_{eq}) for standard grades				
	C	P	S	250N	500L	500N	300E	500E
Cast analysis	0.22	0.050	0.050	0.43	0.39	0.44	0.43	0.49
Product analysis	0.24	0.055	0.055	0.45	0.41	0.46	0.45	0.51

TABLE 2
CHARACTERISTIC MECHANICAL PROPERTIES OF REINFORCING STEELS

Property	250N (Note 1)	500L (Note 2)	500N	300E (Seismic)	500E (Seismic)	Type of specified value
Yield stress (MPa) R_{ekL}	≥ 250	≥ 500	≥ 500	≥ 300	≥ 500	C_{vL} : $p = 0.95$
R_{ekU}	—	≤ 750	≤ 650	≤ 380	≤ 600	C_{vU} : $p = 0.05$
Ratio R_m/R_e	≥ 1.08	≥ 1.03	≥ 1.08	≥ 1.15	≥ 1.15	C_{vL} : $p = 0.90$
	—	—	—	≤ 1.50	≤ 1.40	C_{vU} : $p = 0.10$
Uniform elongation $A_{gt}(\%)$	≥ 5.0	≥ 1.5	≥ 5.0	≥ 15.0	≥ 10.0	C_{vL} : $p = 0.90$

NOTES:

- Grade 250N may be supplied as plain round reinforcing steel complying with AS 3679.1, except that the tolerance on the diameter and roundness does not apply.
- For 500L steels, the only requirement for $d < 5.0$ mm is $R_{ekL} \geq 500$ MPa.

TABLE 3
CONDITION OF TEST PIECES FOR MECHANICAL PROPERTIES

Manufacturing and delivery condition of the reinforcing steel	Condition of testing (test pieces)
Produced in straight lengths or coils by hot rolling	As produced*
Produced in straight lengths by cold working	Aged†
Produced as coil and delivered in straight lengths	Aged†
Produced by cold working and delivered as coil	Straightened and aged†
Welded mesh	Aged†

* Coiled product shall be straightened before testing

† Except for the rebend test, see Clause 7.2.3

7.2.2 Tensile properties

The yield stress (R_e), maximum tensile strength (R_m) and uniform elongation (A_{gt}) shall be determined in accordance with Clause 8.

The values for R_e and R_m shall be calculated using the nominal cross-sectional areas of the reinforcing steels.

For the yield stress (R_e) specified in Table 2, the lower yield stress shall apply. If an observable yield phenomenon is not present, the 0.2% proof stress ($R_{p0.2}$), or the stress for a total elongation of 0.5% ($R_{t0.5}$) shall be determined.

In cases of dispute, the 0.2% proof stress ($R_{p0.2}$) shall apply.

Test specimens shall have a maximum out-of-straightness of $L_n/50$.

7.2.3 Bending and rebending properties

This property applies to deformed reinforcing steels only. The suitability of bars for bending or rebending shall be determined by bending around the stated mandrel diameters and angles specified in Table 4.

For bars subject to the rebend test, after the initial 90° bend, the bars shall be aged and cooled and then bent in the reverse direction through the appropriate rebend angle specified by applying a constant force. After bending or rebending there shall be no visible evidence of cracking on the surface of the test bar, when inspected with the naked eye or with normal corrected vision.

NOTE: In case of dispute the rebent bar may be subject to a tensile test and will be deemed to have passed the rebend requirements if the mechanical properties of this piece comply with Table 2.

TABLE 4
MANDREL DIAMETER AND ANGLE FOR BEND AND REBEND TEST

Nominal diameter (mm)	Mandrel diameter for ductility class			Bend angle	Bend angle after 90° initial bend
	L	N	E		
$d \leq 16$	$3d$			90°	20°
		$4d$	$4d$		90°
$d \geq 20$		$4d$	$4d$	180°	NA

7.2.4 Fatigue strength

If fatigue testing is requested by the purchaser, it may be carried out subject to an appropriate agreement being reached between the parties concerned.

7.2.5 Shear strength of joints in mesh

The shear strength of welded joints in mesh shall be determined in accordance with the relevant item of Clause 8. The welded connection at the intersection of bars in a mesh shall be capable of resisting a direct shear force of not less than $0.5 R_{ek,L} A_s$.

where

$R_{ek,L}$ = the specified lower characteristic yield stress, in megapascals

A_s = the nominal cross-sectional area of the largest bar at the joint, in millimetres squared

Where the bar size differential is equal to or exceeds 3 mm, then these meshes shall not be subject to the tests of shear strength of welded joints in mesh.

7.3 Geometric properties

7.3.1 Diameters, cross-sectional areas and masses

Values for the preferred nominal diameter, cross-sectional area and mass for some reinforcing bars are given in Tables 5A and 5B.

When determined in accordance with the relevant item of Clause 8, the mass per metre length of any size bar shall have a tolerance of $\pm 4.5\%$.

7.3.2 Lengths of bars

The nominal lengths of bars (L_n) shall be agreed at the time of order.

Unless otherwise specified, the permissible deviation from the nominal length shall be as follows:

- (a) For $L_n \leq 7.0$ m + 0, - 40 mm.
- (b) For $7.0 \text{ m} < L_n < 12.0$ m + 40, - 40 mm.
- (c) For $L_n > 12.0$ m + 60, - 40 mm.

NOTE: Bar lengths may use length tolerances as per AS/NZS 3679.1 by agreement.

7.3.3 Straightness tolerance

Unless specified otherwise, the tolerance on straightness shall be as follows:

- (a) For $d \leq 16$ mm $L_n / 50$.
- (b) For $d \geq 20$ mm $L_n / 100$.

7.3.4 Coil size

The mass and dimensions of the coils shall be agreed at the time of order.

TABLE 5A
PREFERRED NOMINAL DIAMETERS, CROSS-SECTIONAL AREAS
AND MASSES FOR REINFORCING STEELS (AUSTRALIA ONLY)

Nominal diameter mm	Cross-sectional area mm ²	Mass per metre length, kg/m	Product grade and class
			500
12.0	113	0.888	N
16.0	201	1.58	N
20.0	314	2.47	N
24.0	452	3.55	N
28.0	616	4.83	N
32.0	804	6.31	N
36.0	1020	7.99	N

NOTE: The values for the mass per unit length given in Table 5A have been calculated from the values for the nominal diameter using a density value of 7850 kg/m³.

TABLE 5B
PREFERRED NOMINAL DIAMETERS, CROSS-SECTIONAL AREAS AND
MASSES FOR REINFORCING STEELS (NEW ZEALAND ONLY)

Nominal diameter mm	Cross-sectional area mm ²	Mass per metre length, kg/m	Product grade and class	
			300	500
6.0	28.3	0.222	E	E
10.0	78.5	0.617	E	E
12.0	113	0.888	E	E
16.0	201	1.58	E	E
20.0	314	2.47	E	E
25.0	491	3.85	E	E
32.0	804	6.31		E
40.0	1260	9.86		E

NOTE: The values for the mass per unit length given in Table 5B have been calculated from the values for the nominal diameter area using a density value of 7850 kg/m³.

7.4 Surface geometry

7.4.1 General

The deformed steel bars and coils covered by this Standard shall be characterized by their surface geometry (dimensions, number and configuration of transverse and longitudinal ribs or indentations) by means of which increased bond with the concrete is achieved. The geometry of ribs or indentations shall comply with Clause 7.4.2.1, 7.4.2.2 and 7.4.2.3. For deformed reinforcement, achievement of the required bond with concrete shall be demonstrated by compliance with Clause 7.4.2.4 or by a bond test in accordance with Paragraph C4 of Appendix C.

NOTE: Geometry of indentations complying with Clause 7.4.2 does not imply similar high bond performance to ribbed bars complying with Clause 7.4.2.

7.4.2 Geometry of ribs and indentations

7.4.2.1 General

The reinforcing steels shall have two or more rows of parallel transverse ribs or indentations equally distributed around the circumference and with a uniform spacing along the entire length excepting identifying markings. For ribbed bars, longitudinal ribs may or may not be present.

Methods for determining the geometry of ribs and indentations are provided in Paragraph C3 of Appendix C.

7.4.2.2 Transverse ribs or indentations

The projection of the transverse ribs of a bar cross-section shall extend over approximately 75% or more of the circumference, calculated from the nominal diameter.

The angle (β) of rib or indentation inclination to the axis of the bar shall be not less than 45°. Where the angle is greater than 45° and is less than 70°, then longitudinal ribs complying with Clause 7.4.2.3, shall be present and/or at least one row of ribs or indentations shall be in the reverse direction to the other rows (see Figure 1).

The rib flank inclination (α) shall be not less than 45° and the ribs shall be radiused at the transition to the core of the product (see Figure 2).

The rib height (h) shall be $0.05d$ to $0.10d$ and the longitudinal spacing (c) of the ribs shall be between $0.5d$ to $1.0d$ (see Figures 1 and 2). The crest width of ribs (w_c) shall be not greater than $0.3c$.

The indentation depth (h) shall be between $0.03d$ and $0.10d$ and the longitudinal spacing (c) of the indentations shall be between $0.5d$ and $2.0d$ (see Figure C2, Appendix C). The width of indentations (w_i) shall be not less than $0.5c$.

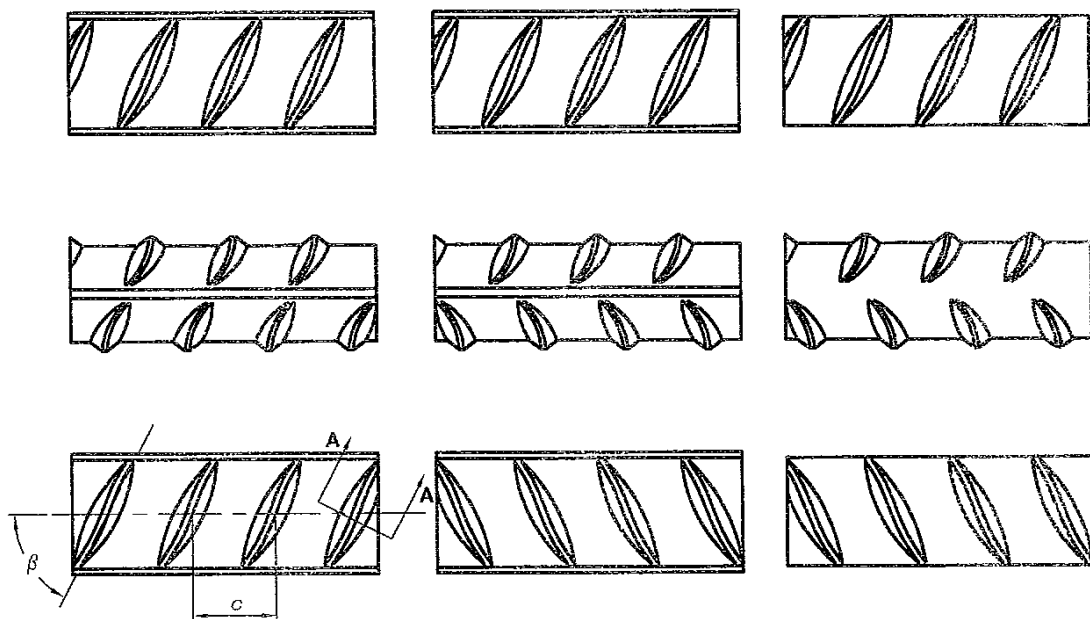


FIGURE 1 EXAMPLES OF RIB GEOMETRY
(Examples with two rows of transverse ribs)

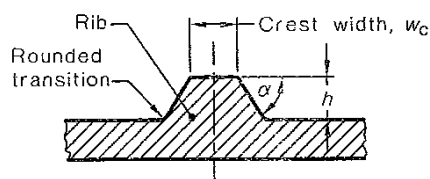


FIGURE 2 RIB FLANK INCLINATION (α) AND RIB HEIGHT (h)
(SECTION A.A ON FIGURE 1)

7.4.2.3 Longitudinal ribs

Where longitudinal ribs are required by Clause 7.4.2.2, their height shall be not less $0.025d$ and not more than $0.10d$.

7.4.2.4 Specific projected area

The specific projected area of ribs (f_R) or indentations (f_P), shall be determined in accordance with Appendix C. When so determined, the minimum value shall be as follows:

- (a) For ribs (f_R):
- (i) 0.036 for $4.0 \text{ mm} \leq d < 5.0 \text{ mm}$..
 - (ii) 0.039 for $5.0 \text{ mm} \leq d \leq 6.0 \text{ mm}$..
 - (iii) 0.045 for $6.0 \text{ mm} < d \leq 8.0 \text{ mm}$..
 - (iv) 0.052 for $8.0 \text{ mm} < d \leq 10.0 \text{ mm}$..
 - (v) 0.056 for $10.0 \text{ mm} < d \leq 40.0 \text{ mm}$..
- (b) For indentations (f_P):
- (i) 0.012 for $4.0 \text{ mm} \leq d < 5.0 \text{ mm}$..
 - (ii) 0.015 for $5.0 \text{ mm} \leq d \leq 6.0 \text{ mm}$..
 - (iii) 0.020 for $6.0 \text{ mm} < d \leq 8.0 \text{ mm}$..
 - (iv) 0.025 for $8.0 \text{ mm} < d \leq 10.0 \text{ mm}$..
 - (v) 0.030 for $10.0 \text{ mm} < d \leq 16.0 \text{ mm}$..

7.5 Form and dimensions of mesh

7.5.1 General

Each sheet shall contain not less than the number of bars appropriate to its specified length, width, pitch and overhang dimensions.

7.5.2 Bar arrangement

The bar arrangement shall be single bars, twin bars or a combination of these.

7.5.3 Commonly available mesh

Commonly available mesh sizes are specified in Table 6A (Australia only) and Table 6B (New Zealand only).

7.5.4 Purpose-made mesh

Purpose-made mesh shall be specified by bar designation and configuration.

NOTE: Before detailing purpose-made mesh, specifiers should ascertain any limitations on length, width, configuration, or mass of sheets that may be imposed by the manufacturing plant or equipment.

TABLE 6A
COMMONLY AVAILABLE MESH SIZES (AUSTRALIA ONLY)

Mesh type and reference number	Longitudinal bars		Cross-bars		Mass for 6 × 2.4 m sheets		Cross-sectional area/m width	
	No. × dia., mm	Pitch, @ mm	No. × dia., mm	Pitch, @ mm	Unit area, kg/m ²	Sheet, kg	Long'l bars, mm ² /m	Cross bars, mm ² /m
Rectangular								
RL1218	25 × 11.9	100	30 × 7.6	200	10.5	157	1112	227
RL1018	25 × 9.5	100	30 × 7.6	200	7.3	109	709	227
RL818	25 × 7.6	100	30 × 7.6	200	5.3	79	454	227
Square, with edge side-lapping bars								
SL102	10 × 9.5 + 4 × 6.75	200 100	30 × 9.5	200	5.6	80	354	354
SL92	10 × 8.6 + 4 × 6.0	200 100	30 × 8.6	200	4.6	66	290	290
SL82	10 × 7.6 + 4 × 6.0	200 100	30 × 7.6	200	3.6	52	227	227
SL72	10 × 6.75 + 4 × 5.0	200 100	30 × 6.75	200	2.8	41	179	179
SL62	10 × 6.0 + 4 × 5.0	200 100	30 × 6.0	200	2.2	33	141	141
Square, without edge side-lapping bars								
SL81	25 × 7.6	100	60 × 7.6	100	7.1	105	454	454
Trench meshes								
L12TM	n × 11.9	100	20 × 5.0	300	N/A	N/A	1112	65
L11TM	n × 10.7	100	20 × 5.0	300	N/A	N/A	899	65
L8TM	n × 7.6	100	20 × 5.0	300	N/A	N/A	454	65

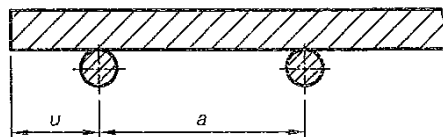
A1 NOTE: The edge bars on SL meshes may be replaced by smaller edge wires of equal or greater cross-sectional area, in total, then the main longitudinal bars being replaced, provided the smaller bars meet the minimum ductility requirements of the bar or bars to be replaced.

TABLE 6B
COMMONLY AVAILABLE MESH SIZES (NEW ZEALAND ONLY)

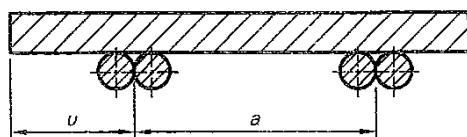
Mesh type and reference number	Longitudinal bars		Cross-bars		Mass for 6 × 2.4 m sheets		Cross-sectional area/m width	
	No. × dia., mm	Pitch, @ mm	No. × dia., mm	Pitch, @ mm	Unit area, kg/m ²	Sheet, kg	Long'l bars, mm ² /m	Cross bars, mm ² /m
Structural								
SE92	13 × 9.0	200	30 × 9.0	200	5.0	75	318	318
SE82	13 × 8.0	200	30 × 8.0	200	3.9	59	251	251
SE72	13 × 7.0	200	30 × 7.0	200	3.0	45	192	192
SE62	13 × 6.0	200	30 × 6.0	200	2.2	33	141	141
Non-structural								
SL51.5	17 × 5.3	150	40 × 5.3	150	2.2	32	147	147
SL41.5	17 × 4.0	150	40 × 4.0	150	1.3	19	84	84

7.5.5 Pitch

The pitch (a) of longitudinal bars and transverse bars shall not be less than 50 mm. The pitch shall be measured as shown in Figure 3. The tolerance of the pitch shall not be more than ± 0.075 times the specified value.



(a) Single-bar meshes



(b) Twin-bar meshes

LEGEND:

u = edge overhang of a bar in a mesh (mm)
 a = pitch of bars in a mesh (mm)

FIGURE 3 PITCH OF BARS AND OVERHANG OF BARS

7.5.6 Sheet size tolerances

The permitted maximum deviations from the specified dimensions of mesh are as follows:

- (a) Sheet dimensions ≤ 6 m in length 40 mm.
- (b) Sheet dimensions > 6 m in length $\pm 0.7\%$.

7.5.7 Welds

Welded joints shall withstand normal transport and handling without breaking. The presence of broken welds shall not constitute a cause for rejection unless—

- (a) in mesh supplied in sheets, the number of broken welds per sheet exceeds 1% of the total number of welded joints; or
- (b) in mesh supplied in rolls, the number of broken welds in any single continuous area of 15 m² measured over the full width of the mesh exceeds 1% of the total number of welded joints in that area; or
- (c) more than 50% of the permissible maximum number of broken welds in Items (a) and (b) above are located on any one wire.

A1

7.5.8 Deemed to comply rib or indentation geometry

Where anchorage is to be provided by the cross-weld, the requirements for rib or indentation geometry shall be deemed to be satisfied, provided the rib height or indentation depth exceeds 0.03d.

8 SAMPLING AND TESTING FOR MANUFACTURING CONTROL

For the purpose of satisfying the requirements of Clause 6.3 and Clauses 7.1 to 7.5, the sampling and frequency of testing of the various types of reinforcing steel shall be in accordance with Appendix B, and the values of relevant material parameters for the samples shall be determined in accordance with Table 7.

TABLE 7

DETERMINATION OF REINFORCING STEEL MATERIAL PARAMETERS

Material parameter	Reinforcing type	Determined in accordance with
Chemical composition	All reinforcing steel	AS/NZS 1050
Yield stress (R_e) and tensile strength (R_m) (see Note)	All reinforcing steel	AS 1391, recorded to the nearest 1 MPa
Uniform elongation (A_{gt})	All reinforcing steel	Paragraph C2.2 of Appendix C
Weld shear strength	Mesh	Paragraph C5 of Appendix C
Bending and rebending properties	Deformed reinforcement	Clause 7.2.3
Geometric properties	Deformed reinforcement	Paragraph C3.1 and C3.2 of Appendix C
Mass per unit length	All reinforcing steel	Paragraph C3.3 of Appendix C
Bond strength	Deformed reinforcement	Paragraph C4 of Appendix C if Clause 7.4.2 is not satisfied or appropriate.

NOTE: For yield stress/tensile strength determination, the nominal cross-sectional area shall be used (see Clause 7.2.2).

9 IDENTIFICATION

9.1 Identification of standard grades of reinforcing steels

The standard grades of reinforcing steels shall be identified by either an alphanumeric marking system on the surface of the bar that identifies strength grade and ductility class or by a series of surface features on the product, (see Figure 4) at intervals of not greater than 1.5 m, as follows:

NOTE: Care should be taken with identifying marks to minimize notching effects.

- (a) *Deformed Grade 250N*—crescent-shaped transverse ribs inclined at 90° to the bar axis or two rows of inclined transverse ribs of uniform height reversing in direction on opposite sides of the bar, as shown in Figure 4.
- (b) *Deformed Grade 300E*—identified by two rows of transverse ribs reversing in direction on opposite sides of the bar and having on one or two sides, two additional longitudinal marks joining two consecutive transverse ribs.
- (c) *Deformed Grade 500L*—identified by three rows of transverse ribs or indentations with one row in the reverse direction to the other two.
- (d) *Deformed Grade 500N*—identified by two or more continuous and clearly visible longitudinal marks in addition to longitudinal ribs if present, or by a minimum of two short transverse marking that are clearly distinguishable from the transverse ribs.
- (e) *Deformed Grade 500E*—(excluding threaded bar) identified by two rows of transverse ribs reversing in direction on opposite sides of the bar and have on one or two sides, two missed deformations adjacent to two additional longitudinal bars joining two consecutive transverse ribs.
- (f) *Plain Grade 250N*—no particular identifying features.
- (g) *Plain Grade 300E*—identified by a raised dot.
- (h) *Plain Grade 500E*—identified by a raised dot and dash.
- (i) *Right-hand-threaded Grade 500E*—identified by one short transverse rib on one side of the bar.

9.2 Identification of the steel producer

Deformed reinforcement shall carry unique marks enabling the steel producer to be identified. Details of the steel producer's identification marking shall be made available on request.

9.3 Labelling of reinforcing steel

Each coil or bundle of reinforcing steel, including mesh, shall have a durable label attached on which the following shall be shown:

- (a) For steel producers—
 - (i) the steel producer's name or trademark.
 - (ii) the designation of reinforcing steel.
 - (iii) the number of this Australian/New Zealand Standard.
 - (iv) the heat number or batch number.
 - (v) the mass or quantity of the bundle.
 - (vi) a unique bundle identification number or mark.
- (b) For steel processors—
 - (i) the steel processor's name or trademark.
 - (ii) the designation of reinforcing steel including mesh.
 - (iii) the number of this Australian/New Zealand Standard.
 - (iv) a unique identification number or code.
 - (v) the mass or quantity of the bundle.

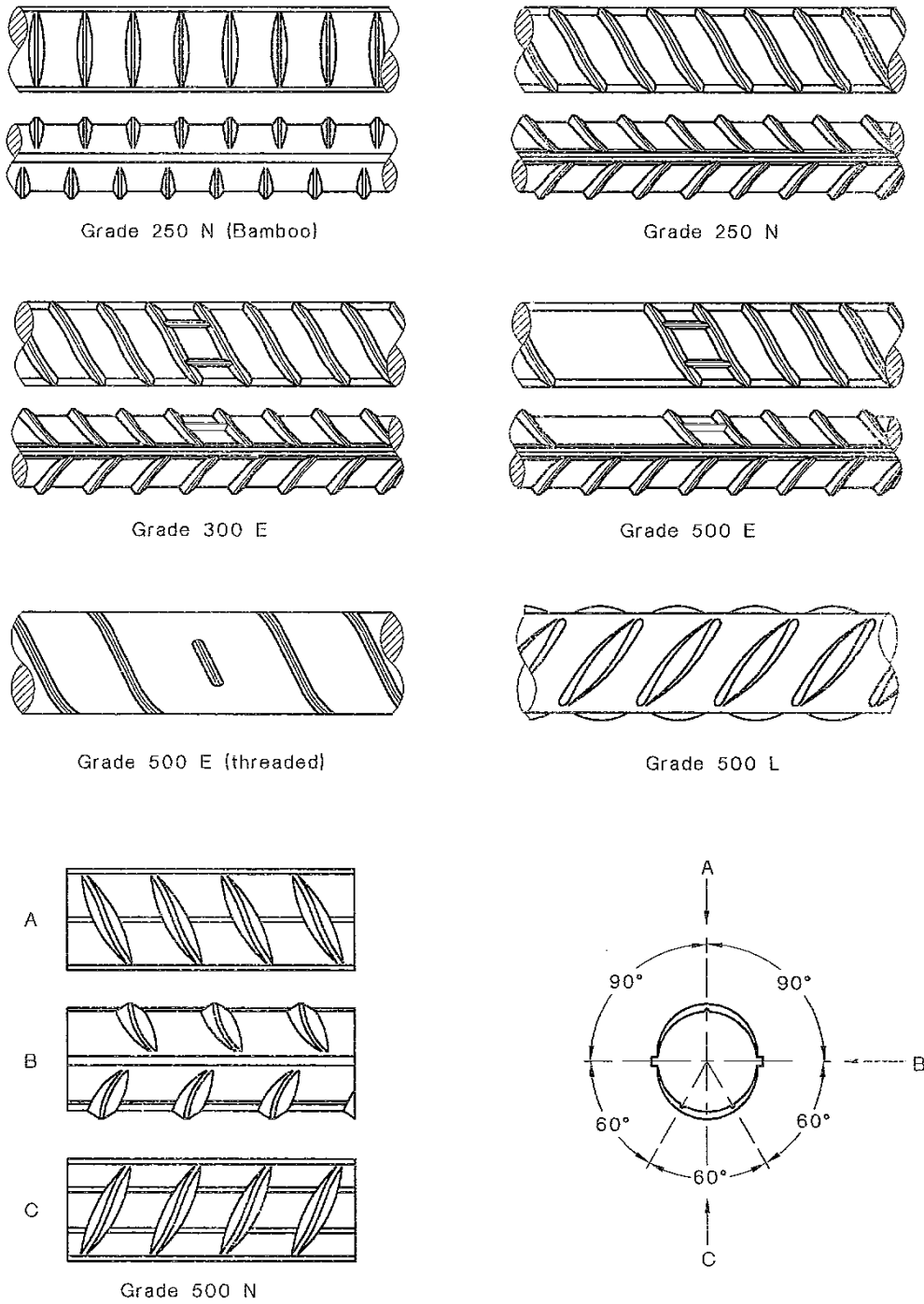


FIGURE 4 EXAMPLES OF GRADE IDENTIFIERS

APPENDIX A
MEANS FOR DEMONSTRATING COMPLIANCE WITH THIS STANDARD
(Informative)

A1 SCOPE

This Appendix sets out the following different means by which compliance with this Standard can be demonstrated by the manufacturer or supplier:

- (a) Evaluation by means of statistical sampling.
- (b) The use of a product certification scheme.
- (c) Assurance using the acceptability of the supplier's quality system.
- (d) Other such means proposed by the manufacturer or supplier and acceptable to the customer.

A2 STATISTICAL SAMPLING

Statistical sampling is a procedure which enables decisions to be made about the quality of batches of items after inspecting or testing only a portion of those items. This procedure will only be valid if the sampling plan has been determined on a statistical basis and the following requirements are met:

- (a) The sample shall be drawn randomly from a population of product of known history. The history shall enable verification that the product was made from known materials at essentially the same time, by essentially the same processes and under essentially the same system of control.
- (b) For each different situation, a suitable sampling plan needs to be defined. A sampling plan for one manufacturer of given capability and product throughput may not be relevant to another manufacturer producing the same items.

In order for statistical sampling to be meaningful to the customer, the manufacturer or supplier needs to demonstrate how the above conditions have been satisfied. Sampling and the establishment of a sampling plan should be carried out in accordance with AS 1199, guidance to which is given in AS 1399.

A3 PRODUCT CERTIFICATION

The purpose of product certification is to provide independent assurance of the claim by the manufacturer that products comply with the stated Standard.

The certification scheme should meet the criteria described in HB 18.28 (SANZ HB 18.28) in that, as well as full type testing from independently sampled production and subsequent verification of conformance, it requires the manufacturer to maintain effective quality planning to control production.

The certification scheme serves to indicate that the products consistently conform to the requirements of the Standard.

A4 SUPPLIER'S QUALITY MANAGEMENT SYSTEM

Where the manufacturer or supplier can demonstrate an audited and registered quality management system complying with the requirements of the appropriate or stipulated Australian or international Standard for a supplier's quality management system or systems, this may provide the necessary confidence that the specified requirements will be met.

The quality assurance requirements need to be agreed between the customer and supplier and should include a quality or inspection and test plan to ensure product conformity.

A5 OTHER MEANS OF ASSESSMENT

If the above methods are considered inappropriate, determination of compliance with the requirements of this Standard may be assessed from the results of testing coupled with the manufacturer's guarantee of product conformance.

Irrespective of acceptable quality levels (AQLs) or test frequencies, the responsibility remains with the manufacturer or supplier to supply products that conform with the full requirements of the Standard.

APPENDIX B

MANUFACTURING CONTROL

(Normative)

B1 SCOPE AND GENERAL

B1.1 Scope

Manufacturing control shall apply to all aspects of production, from steel melting to the dispatch of end products to the purchasers (steel processors or customers).

B1.2 Application

Reinforcing steel shall be sampled and tested in accordance with Paragraph B3. The results shall satisfy both the batch and long-term quality levels in accordance with Paragraphs B4 and B6.

Where long-term quality levels are not available, steel shall be sampled, tested and evaluated in accordance with Paragraph B7.

B1.3 Definitions

For the purpose of this Appendix, the definitions below apply.

B1.3.1 *Batch*

A quantity of reinforcing steel of the same surface geometry and diameter, of the same nominal strength grade and of the same ductility class; produced by essentially the same process from—

- (a) the same cast and continuous period of production, for hot-worked products; or
- (b) the same type of feed material, process, equipment and conditions, for cold-worked products but not exceeding 50 t of bars or coils or 1000 sheets of mesh, whichever is the less, unless specified otherwise.

B1.3.2 *Cold-worked products*

Bars and coils produced by cold rolling or cold drawing, or a combination of these, including mesh, and bars straightened from hot-rolled or cold-rolled coils.

B1.3.3 *Hot-worked products*

Bars and coils produced directly by hot-rolling.

B1.3.4 *Item*

A single piece of reinforcing steel (e.g. a bar, a coil or a sheet of mesh).

B1.3.5 *Test piece*

A portion of an item of the size (length or other measure) specified in the relevant test method, suitable for carrying out the required test and which has not been subjected to any post-production treatment that will unduly affect the test result.

B2 NOTATION

The following symbols are used in this Appendix:

- K = a statistical multiplying factor
- k = the acceptability index
- n = number of test results or specimens

- n_b = the number of test values determined in a batch
 n_p = the number of test values determined in a number of batches
 \bar{X}_b = the mean of individual test values determined in a particular batch
 \bar{X}_p = the mean of individual test values determined in a number of batches
 x_n = the mean value of characteristic strength for n number of specimens
 x_s = an individual test value
 s = the estimated standard deviation of a population
 s_n = the standard deviation for n number of specimens

B3 SAMPLING AND TESTING FREQUENCY

The minimum frequency of sampling and testing for each of the quality parameters specified and determined in accordance with Clause 8 of this Standard shall be as follows:

- (a) For bars and coils:
- (i) Chemical composition, one test per cast unless previously determined by the steel producer (see Note 1).
 - (ii) Mechanical properties, one test for each 50 t of product or part thereof, but not less than three tests per batch.
 - (iii) Bending properties, one test per batch.
 - (iv) Mass per unit length, one test (see Paragraph C3.3) per batch.
 - (v) Surface geometry of deformed products, one test per batch (see Note 3).
- (b) For decoiled products:
- (i) Chemical composition, one test per batch unless previously determined by the steel producer (see Note 1).
 - (ii) Mechanical and bending properties, one test per diameter per machine per week (see Note 2).
 - (iii) Deformation height or depth of deformed products, one test per day per machine and at each size change (see Note 3).
- (c) For mesh:
- (i) Mechanical properties, one test per batch on each of two separate longitudinal bars and two separate transverse bars (i.e. 4 tensile tests). It shall be permissible to sample from straightened and cut bars prior to welding, provided that it can be demonstrated that the welding does not adversely affect the mechanical properties.
 - (ii) Weld-shear test, one test per batch on each of two separate intersections from different wires.
 - (iii) Form and dimensions of the mesh, one test per batch in accordance with Clause 7.5.
 - (iv) Surface geometry of component deformed bars, one test per batch on any longitudinal bar and one transverse bar (see Note 3).
 - (v) Chemical testing is not required (see Note 1).

NOTES:

- 1 Upon request, compliance with Clause 7.1 may be demonstrated by presentation of the relevant test certificate or certificate of compliance from the steel producer.

A1

- 2 This testing is for evaluation of long-term quality level only, and is not a batch test for assessing compliance.
- 3 Only rib heights or indentation depths to be measured for each batch, with circumferential gap and transverse rib spacing or indentation spacing to be measured at each roll change or adjustment.

B4 EVALUATION AND CONFORMANCE OF BATCH QUALITY PARAMETERS

B4.1 Tensile parameters

B4.1.1 Batch parameters

The value for a batch of each of the tensile parameters R_e , A_{gt} and (R_m/R_e) shall be taken as the mean (\bar{X}_b) of the individual test values (x_s) from the sampled items.

$$\bar{X}_b = \sum x_s / n_b$$

B4.1.2 Batch conformance

A batch shall be deemed to conform with the tensile parameters specified in Table 2 if the following are satisfied:

- (a) For R_e —
 - (i) $1.02 R_{ek,L} \leq \bar{X}_b \leq 0.98 R_{ek,U}$ and no individual test value of R_e is less than $0.95 R_{ek,L}$ or greater than $1.05 R_{ek,U}$; or
 - (ii) all test values of R_e fall between $R_{ek,L}$ and $R_{ek,U}$.
- (b) For A_{gt} — \bar{X}_b is not less than the specified value.
- (c) For (R_m/R_e) — \bar{X}_b is not less than the specified lower value or greater than the specified upper value.

If any requirements in Items (a), (b) or (c) above are not satisfied, the batch shall be deemed to be non-conforming and subject to further action in accordance with Paragraph B5.

B4.2 Other parameters

B4.2.1 Chemical composition

The chemical composition of reinforcing steel shall conform to the requirements listed in Table 1.

B4.2.2 Shear strength of joints in mesh

The shear strength of the tested welded joints shall satisfy the requirements of Clause 7.2.5.

B4.2.3 Rebend suitability

The rebend properties of the test piece shall satisfy the requirements of Clause 7.2.3.

B4.2.4 Mass per unit length

The measured mass per unit length of each test piece shall satisfy the mass determined from the nominal diameter of the reinforcing steel and comply with the tolerances specified in Clause 7.3.1.

B4.2.5 Surface geometry

The surface geometry of the test piece shall satisfy the relevant parts of Clause 7.4.2 or, if appropriate, shall be such that Paragraph C4 of Appendix C is satisfied.

B5 ACTION ON NON-CONFORMING BATCHES

When a production batch is deemed to be non-conforming in accordance with Paragraph B4.1 or B4.2, the steel producer or steel processor, as appropriate, shall promptly isolate the batch by suitable means.

For the non-conforming batch, twice as many additional items shall be taken from the batch and tested for the particular non-conforming parameter(s) concerned. If the additional test results demonstrate conformance, then the batch shall be deemed to comply with the Standard, and all of the additional results included for long-term conformance (see Paragraph B6).

If any of the additional test results demonstrate non-conformance, then the batch shall be rejected as non-conforming and the steel producer or steel processor, as appropriate, shall take immediate action to minimize the probability of further non-conformances of the same kind. The results from the non-conforming batch shall be excluded from the long-term conformance calculations.

B6 DETERMINATION OF LONG-TERM QUALITY LEVEL

B6.1 General

Test results for the material tensile parameters R_e , A_{gt} and R_m/R_e shall be continually collected from the batch testing program, grouped under the same designation (see Clause 5.2) and their long-term characteristic values determined statistically in accordance with Paragraph B6.2.

A1 | For each parameter, the determinations shall be made on a continual basis (but at intervals of not more than one month), covering the preceding six months test results or the last 200 consecutive test results.

NOTES:

- A1 |
- 1 The evaluation of long-term quality levels is based on the assumption that the distribution of a large number of test results is normal; however, this is not a requirement.
 - 2 The application of long-term quality compliance for mesh with respect to A_{gt} and R_m/R_e may be waived for Australia until the end of September 2003, while several statistical anomalies are resolved. It may be waived for mesh to be used in New Zealand where all batch test results are above specified values.

B6.2 Evaluation of results

B6.2.1 Estimation of population parameters

The mean (\bar{X}_p) and standard deviation (s) shall be estimated from the test results using the following equations, respectively:

$$\bar{X}_p = \sum x_s / n_p \quad \dots \text{B6.2.1(1)}$$

$$s = \sqrt{[\sum (x_s - \bar{X}_p)^2 / (n_p - 1)]} \quad \dots \text{B6.2.1(2)}$$

B6.3 Conformance to long-term quality levels

The process shall be deemed to conform to long-term quality levels if—

- (a) $\bar{X}_p - Ks \geq C_{v,L}$; and
- (b) $\bar{X}_p + Ks \leq C_{v,U}$; and

as applicable, where K is obtained from the appropriate column of Table B1.

B7 MATERIAL NOT COVERED BY LONG-TERM QUALITY LEVEL**B7.1 General**

Steel not covered by long-term quality level complying with Paragraph B6 shall be assessed by acceptance tests on each batch.

B7.2 Extent of sampling and testing

For testing purposes, the batch shall be divided into test units each with a maximum mass of 100 t. Each test unit shall comprise products of the same steel grade and nominal diameter from the same cast. The steel producer or steel processor shall certify that all products in the test unit originate from the same cast.

Test specimens shall be taken from each test unit as follows:

- (a) Fifteen test pieces or, if appropriate, 60 specimens (see Paragraph B7.4.1(b)), from different bars for testing in accordance with Paragraphs B7.3(a) and B7.3(b);
- (b) Two test specimens from different bars, for testing in accordance with Paragraphs B7.3(c).

TABLE B1
STATISTICAL MULTIPLIER 'K'

No. of samples (n_p)	Coefficient K at 90% confidence level	
	For R_e ($p = 0.95$)	for A_{gt} , R_m/R_e ($p = 0.90$)
5	3.40	2.74
6	3.09	2.49
7	2.89	2.33
8	2.75	2.22
9	2.65	2.13
10	2.57	2.07
11	2.50	2.01
12	2.45	1.97
13	2.40	1.93
14	2.36	1.90
15	2.33	1.87
16	2.30	1.84
17	2.27	1.82
18	2.25	1.80
19	2.23	1.78
20	2.21	1.77
30	2.08	1.66
40	2.01	1.60
50	1.97	1.56
60	1.93	1.53
70	1.90	1.51
80	1.89	1.49
90	1.87	1.48
100	1.86	1.47
150	1.82	1.43
200	1.79	1.41
250	1.78	1.40
300	1.77	1.39
400	1.75	1.37
500	1.74	1.36
1000	1.71	1.34
≥ 2000	1.65	1.30

B7.3 Properties to be tested

Test pieces selected in accordance with Paragraph B7.2 shall be tested for the following:

- (a) Inspection by variables, i.e.
- (i) tensile strength R_m ;
 - (ii) yield stress R_e ;
 - (iii) tensile to yield ratio R_m/R_e ; and
 - (iv) total elongation at maximum force A_{gt} .

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- (b) Inspection by attributes, i.e.
 - (i) behaviour in the rebend test;
 - (ii) deviations from the nominal cross-section; and
 - (iii) projected rib or indentation area or bond test.
- (c) Chemical composition according to the product analysis.

All elements listed in Table 1 and the carbon equivalent (C_{eq}) shall be determined.

The test procedures shall be as described in Appendix C.

B7.4 Evaluation of results

B7.4.1 Inspection by variables

The following applies:

- (a) When testing for the properties listed in Paragraph B7.3(a), the following shall be determined for the characteristic strength.
 - (i) All individual values for characteristic strength R_{ek} for the 15 test specimens.
 - (ii) The mean value for the characteristic strength \bar{x}_{15} (for $n = 15$).
 - (iii) The standard deviation s_{15} (for $n = 15$).

The test unit shall be deemed to comply with this Australian/New Zealand Standard if all individual values of R_m/R_e and uniform elongation (A_{gt}) fall between the upper and lower characteristic values specified in Table 2, and the following conditions are fulfilled by the characteristic strength (see also Item (b) below):

$$\bar{x}_{15} - 2.33 s_{15} \geq R_{ek,L}; \text{ and} \quad \dots \text{B7.4.1(1)}$$

$$\bar{x}_{15} + 2.33 s_{15} \leq R_{ek,U} \quad \dots \text{B7.4.1(2)}$$

- (b) If the condition for the characteristic strength stated in Item (a) is not fulfilled, a secondary calculation, the acceptability index (k) shall be determined, where—

$$k = \frac{\bar{x}_{15} - R_{ek,L}}{s_{15}} \quad \dots \text{B7.4.1(3)}$$

If $k \leq 2$, the batch shall be deemed non-conforming.

If $k > 2$, testing shall continue. Forty-five further test specimens shall be taken and tested from different items in the test unit, so that a total of 60 test results are available ($n = 60$).

The test unit shall be deemed to comply with this Australian/New Zealand Standard if all individual values of R_m/R_e uniform elongation A_{gt} fall between the upper and lower characteristic values specified in Table 2 and the following conditions are fulfilled by the characteristic strength:

$$\bar{x}_{60} - 1.93 s_{60} \geq R_{ek,L}; \text{ and}$$

$$\bar{x}_{60} + 1.93 s_{60} \leq R_{ek,U}$$

B7.4.2 Inspection by attributes

When testing the properties listed in Paragraph B7.3(b), the following applies:

- (a) All the results determined on the 15 test specimens shall conform to this Standard; or

- (b) If a maximum of two of the 15 results do not conform to this Standard, 45 further test specimens shall be taken and tested from different items in the test unit, making 60 test results available.

The unit shall be deemed to conform to this Standard if no more than two of the 60 test specimens fail the test.

B7.5 Test report

A test report shall be produced containing the following data:

- (a) The steel producer's or steel processor's name or trademark.
- (b) The nominal diameter of the reinforcing steel.
- (c) The strength and ductility grade of the reinforcing steel.
- (d) The marking on the reinforcing steel.
- (e) The cast number.
- (f) The date of testing.
- (g) The mass of the test unit.
- (h) The individual test results for all the properties specified in Paragraph B7.3.

APPENDIX C

REQUIREMENTS FOR DETERMINING THE MECHANICAL AND
GEOMETRIC PROPERTIES OF REINFORCEMENT

(Normative)

C1 GENERAL

This Appendix sets out requirements for the determination of mechanical and geometric properties of reinforcement, which are additional to the requirements given in Clauses 7.2, 7.3, 7.4 and 8.

C2 MECHANICAL PROPERTIES**C2.1 General**

Tests for the determination of the mechanical properties of reinforcement shall be carried out at ambient temperatures in the range 10°C to 35°C.

The condition of test pieces at the time of testing shall be in accordance with Clause 7.2.1 and Table 3.

Unless otherwise specified, tests on bars and coils shall be carried out on straight test specimens of full cross-section having no machining within the gauge length.

Test specimens cut from mesh shall include at least one welded intersection. Before testing a twin-bar specimen, the bar not under test shall be removed without damage to the bar to be tested.

C2.2 Tensile properties**C2.2.1 Equipment**

Tensile testing equipment shall be Grade A as defined in AS 2193.

C2.2.2 Uniform elongation

^{A1} The uniform elongation (A_{gt}) shall be determined in accordance with ISO 15630-1 or ISO 15630-2 as appropriate except as in the following cases:

- (a) All Classes of steels—from extensometer measurements at maximum force taken during tensioning; or
- (b) Class E and Class N steels only—from measurements taken after failure.

For the purpose of Item (a), a minimum extensometer gauge length of 50 mm may be used.

For the purpose of Item (b), gauge marks of up to 25 mm intervals may be used.

In the event of a dispute, the extensometer method shall take precedence, unless otherwise agreed between the parties concerned.

C3 GEOMETRIC PROPERTIES**C3.1 Rib geometry****C3.1.1 Height of transverse ribs**

The height of transverse ribs (h) shall be measured for each row of ribs at the point where the rib height is greatest. The measurement shall be reported to an accuracy of 0.01 mm.

C3.1.2 *Circumferential spacing of transverse ribs*

The sum of the circumferential gaps (g) between adjacent rows of transverse ribs shall be measured at each of three separate cross-sections and the mean value of the sum calculated. The measurement shall be reported to an accuracy of 0.1 mm.

C3.1.3 *Longitudinal spacing of transverse ribs*

The spacing of the transverse ribs (c) shall be taken as the length of the measuring distance divided by the number of the rib gaps contained within that length. The measuring distance is deemed to be the interval between the centre-line of a rib and the centre-line of another rib on the same side of the product, determined in a straight line parallel to the longitudinal axis of the product. The length of the measuring distance shall contain at least 10 rib gaps.

C3.1.4 *Calculation of the specific projected rib area (f_R)*

The specific projected rib area (f_R) shall be calculated from the following equation, and with reference to Figure C1:

$$f_R = k_i \frac{(\pi d - \Sigma g)h}{\pi d c} \quad \dots \text{C3.1.4}$$

where

k_i = 0.72 for crescent shaped ribs; or

= 1.0 for uniform height ribs

d = the nominal diameter of the reinforcing steel

Σg = the sum, at a cross-section, of the circumferential gaps between adjacent rows of transverse ribs (see Paragraph C3.1.2)

h = the mean of the maximum rib heights (see Paragraph C3.1.1)

c = the longitudinal pitch of the transverse ribs (see Paragraph C3.1.3)

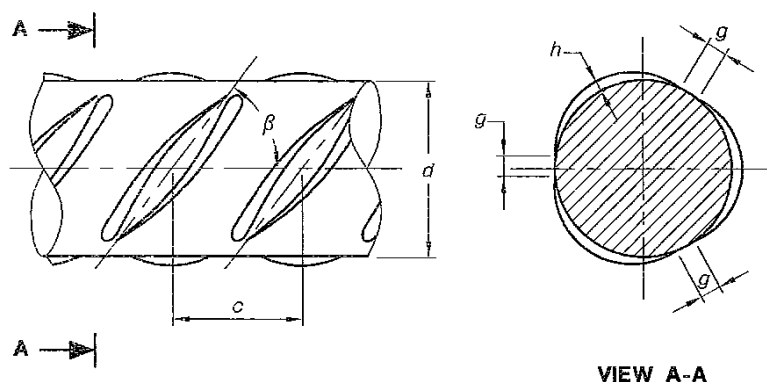


FIGURE C1 TERMS FOR SPECIFIC PROJECTED RIB AREA

C3.2 Indentation geometry**C3.2.1** *Depths of transverse indentations*

The depth of transverse indentations (h) shall be measured for each row of indentations at the point where the indentation depth is greatest. The measurement shall be made to an accuracy 0.01 mm.

C3.2.2 *Circumferential spacing of transverse indentations*

The sum of the circumferential gaps (g) between adjacent rows of transverse indentations shall be measured at each of three separate cross-sections and the mean value of the sum calculated. The measurement shall be reported to an accuracy of 0.1 mm.

C3.2.3 *Longitudinal spacing of transverse indentations*

The spacing of the transverse indentations (c) shall be taken as the length of the measuring distance divided by the number of the indentation gaps contained within that distance. The measuring distance is deemed to be the interval between the centre-line of an indentation and the centre-line of another indentation on the same side of the product determined in a straight line parallel to the longitudinal axis of the product. The length of the measuring distance shall contain at least 10 indentation gaps.

C3.2.4 *Calculation of the specific projected indentation area (f_p)*

The specific projected indentation area (f_p) shall be calculated from the following equation, and with reference to Figure C2:

$$f_p = k_i \frac{(\pi d - \Sigma g) \cdot h}{\pi d \cdot c} \quad \dots \text{C3.2.4}$$

- k_i = 0.72 for indents of non-uniform depth; or
- = 1.0 for indents of uniform depth
- d = the nominal diameter of the reinforcing steel
- Σg = the sum, at a cross-section, of the circumferential gaps between adjacent rows of transverse indentations
- h = the mean of the maximum indentation depths
- c = the longitudinal pitch of the transverse indentations (see Paragraph C3.2.3)

C4.2 Test pieces

The surface deformations of the bars to be tested shall comply with the steel producer's or steel processor's published specification, and shall be as near to the minimum values as possible. Six test pieces of each size shall be tested. The length of each test piece shall be such to allow attachment of the stressing system and measuring device, generally at least 250 mm longer than the length of the concrete test prism. All test pieces shall be wire brushed to remove loose rust and mill scale.

C4.3 Test prisms or cylinders

For each of the test pieces, prepare a concrete test prism or cylinder having a square or circular cross-section of 150 mm width or diameter for bar sizes up to and including 20 mm, and 250 mm width or diameter for bar sizes over 20 mm. The length of the prism or cylinder (L) in millimetres shall be calculated as follows:

$$L = \frac{0.45 d R_{ek,L}}{\sqrt{f_c}} \geq b \quad \dots \text{C4.3}$$

where

- $R_{ek,L}$ = the specified lower characteristic yield stress of the steel, in megapascals
- d = the nominal bar size, in millimetres
- b = Width of prism sides or diameter of cylinder, in millimetres
- f_c = the compressive strength of the concrete at time of test, in megapascals

Prepare the prism or cylinder using a sand-cement mortar mix that gives a concrete having a cylinder compressive strength of between 32 MPa and 40 MPa at the time of the pull-out test. Support the test piece so that it is rigidly embedded in and passes completely through the prism or cylinder of concrete along its longitudinal axis protruding approximately 20 mm from the bottom as cast. Reinforce the prism or cylinder along the embedded length with a helix of 6 mm diameter plain mild steel having a pitch of 25 mm, the outer diameter of the helix being 5 mm less than the side of the concrete section.

C4.4 Apparatus

The apparatus shall consist of a suitable testing device capable of accepting the test specimen and a suitable measuring device (see Figure C3).

C4.5 Procedure

Mount the test specimen in the testing device so that the bar is pulled axially from the prism. Arrange the test prism so that the end of the bar at which tension is applied is that which is projected from the top end of the prism as cast. Place rubber or plywood packing and bearing plate with central hole $2d$ diameter between the top end of the prism and the bearing surface of the testing device.

Mount a suitable measuring device so that the gauge records the relative slip between the unloaded end of the bar and the bottom end of the prism as cast.

A schematic arrangement of a specimen and testing device is shown in Figure C3.

During a period of approximately 2 min, steadily increase the axial force in the bar protruding from the top end of the prism until the tensile stress in the bar attains the specified lower characteristic yield stress ($R_{ek,L}$) (see Table 2) for the grade of steel from which the bars are made. Maintain this axial force for a further 2 min, then record the free-end slip of the bar.

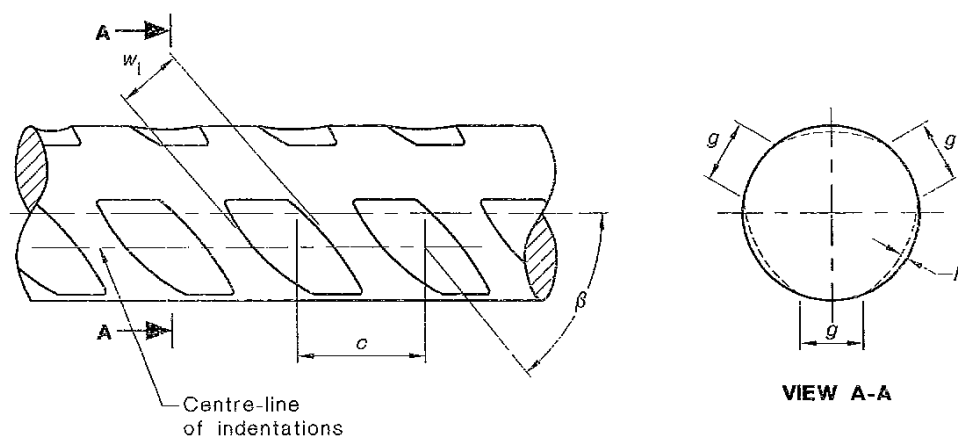


FIGURE C2 TERMS FOR SPECIFIC PROJECTED INDENTATION AREA

C3.3 Mass per unit length of reinforcing steels

C3.3.1 General

The mass per unit length of bars in a batch shall be determined in accordance with Paragraphs C3.3.2 and C3.3.3 and the result expressed in kg/m.

C3.3.2 Test specimens

The determination shall be carried out on test specimens of a combined length not less than the greater of 300 mm or $20d$, for diameters not greater than or equal to 25 mm and not less than 500 mm for diameters greater than 25 mm.

C3.3.3 Procedure

The procedure for determination is as follows:

- (a) Cut a test specimen from each of three bars randomly selected from the batch, the length of each specimen being at least the minimum length specified in Paragraph C3.3.2 plus two bar diameters.
- (b) Grind the ends of each specimen perpendicular to the longitudinal axis of the bar.
- (c) For each specimen—
 - (i) measure its length in millimetres to the nearest 1 mm;
 - (ii) weigh the specimen to determine its mass in grams to an accuracy of three significant figures; and
 - (iii) calculate its mass per unit length (g/mm).
- (d) Calculate the average value of the mass per unit length to three significant figures, expressing the result in kg/m.

C4 BOND TEST FOR CLASSIFICATION BY PERFORMANCE

C4.1 Objective

The objective of the test is to demonstrate that reinforcing bars not complying with the requirements of Clause 7.4.2.4(a) will develop their specified characteristic yield stress (see Table 2) in a pull-out test with a free-end slip not greater than 0.2 mm.

C4.6 Free-end slip

If the average free-end slip of the six test pieces does not exceed 0.2 mm, the surface geometry of reinforced steel represented by the test pieces shall be deemed to comply with the surface geometry requirements of this Standard.

C4.7 Test report

The test report shall contain the following:

- (a) Mill of manufacture.
- (b) Nominal diameter of test pieces.
- (c) Surface geometry.
- (d) Concrete compressive strengths at time of testing.
- (e) The bond classification determined.
- (f) Reference to this Australian/New Zealand Standard, i.e. AS/NZS 4671.
- (g) Reference to this test method, i.e. Appendix C.

NOTE: Further information may be included by agreement.

C5 Mesh weld shear strength

The weld shear strength of welded joints on mesh shall be determined in accordance with ISO 15630-2, except where it can be demonstrated by non-destructive means that the welded joints are capable of withstanding at least 5% more than the shear force specified in Clause 7.2.5 of this Standard.

In the event of a dispute, the ISO 15630-2 test procedure shall take precedence.

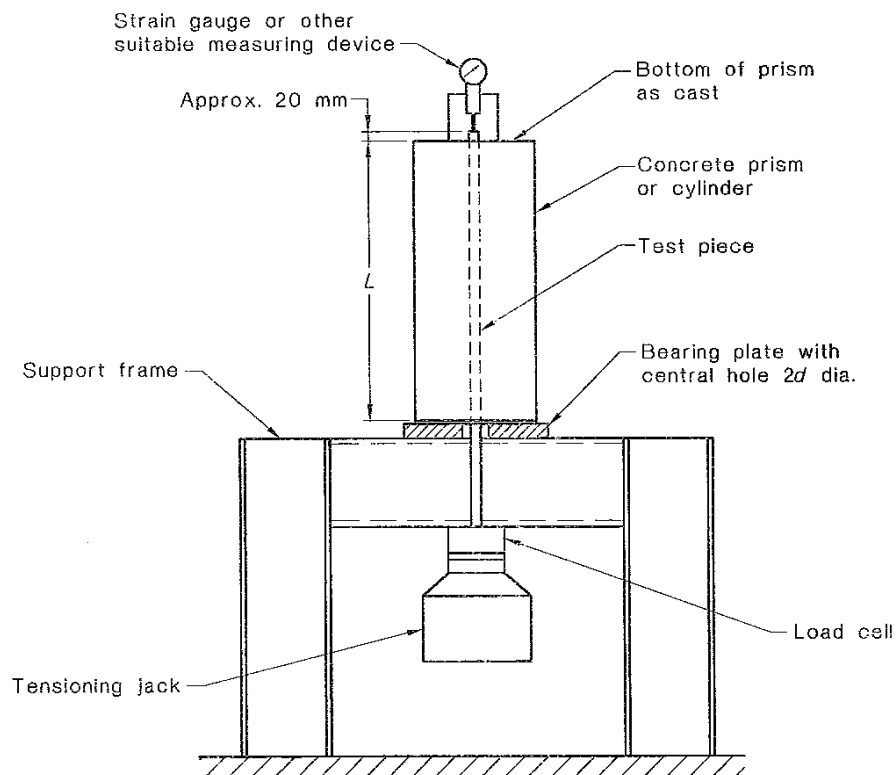


FIGURE C3 SAMPLE SCHEMATIC ARRANGEMENT OF BOND TEST EQUIPMENT AND TEST SPECIMEN

APPENDIX D

PURCHASING GUIDELINES

(Informative)

D1 INFORMATION TO BE SUPPLIED BY THE PURCHASER

The purchaser should supply the following information at the time of enquiry or order, after making due reference to the explanation, advice and recommendations contained in this Appendix:

- (a) Designation of grade and Standard number.
- (b) Quantity and delivery instructions.
- (c) Dimensions of steel, e.g. bar size and length, mass of bundle or coil.
- (d) Whether a test certificate or certificate of compliance is required.
- (e) Any information concerning processing or end-use that the purchaser considers would assist the steel producer or steel processor (see Note).
- (f) Whether it is the intention of the purchaser to inspect the steel at the steel producer's or steel processor's works.
- (g) Any exceptions to the Standard and any special or supplementary requirements.

NOTE: Some mechanical properties (e.g. uniform elongation (A_{gt})) are quite sensitive to cold working. Hence, it is important that steel processors be aware that the properties of conforming batches of reinforcing steel may be rendered non-conforming by subsequent cold-working procedures, such as straightening, that are applied without due caution. The steel producer and steel processor should negotiate to ensure that the mechanical properties of the end product comply with the requirements of this Standard.

D2 CERTIFICATES OF COMPLIANCE AND TEST CERTIFICATES

D2.1 Certificate of compliance

A certificate of compliance states that the material has been tested and results comply with the appropriate material Standard.

D2.2 Test certificate

A test certificate shows such results as may be required by agreement between the purchaser and the steel producer or steel processor relating to—

- (a) tests performed by the steel producer or steel processor for the purpose of establishing compliance with the appropriate material Standard; or
- (b) additional tests as agreed between the purchaser and the steel producer or the steel processor.

D3 INSPECTION

If it is the purchaser's intention to undertake any of the following functions at the steel producer's or steel processor's works, this should be notified at the time of the enquiry or order, and should be accomplished in a manner that will not interfere with the operation of the works:

- (a) Inspect the steel during manufacture.
- (b) Select and identify test samples.
- (c) Witness the tests being made.

The steel producer or steel processor should provide all reasonable facilities to enable the purchaser to be satisfied that the steel is in accordance with this Standard.

AMENDMENT CONTROL SHEET

AS/NZS 4671:2001

Amendment No. 1 (2003)

REVISED TEXT

SUMMARY: This Amendment applies to the Preface, Clauses 2, 7.2.3, 7.5.8, Table 6A, Paragraphs B3, B6.1, C2.2.2 and C5.

Published on 5 June 2003.

AS/NZS 4671:2001

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NOTES

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PUBLIC RECORD

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NOTES

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TURKISH STANDARD

TS 708
Mach 2016

ICS 77.140.60

Steel for the reinforcement of concrete - Reinforcing steel

TURKISH STANDARDS INSTITUTION
Necatibey Caddesi No.112 Bakanlıklar/ANKARA

PREFACE

This draft is prepared as the revision of TS 708 (1996) by the TSE Construction Specialized Group.

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Preamble

- This standard is prepared by TK10 Building Materials Technical Committee affiliated to the Construction Expertise Board of the Turkish Standards Institute and was adopted and decided to be published as Turkish Standard in the meeting dated 24 March 2016 as held by TSE Technical Board.
- All previous prints of this standard are invalid.
- In the preparation of this standard, international standards and principles set forth under the standards of foreign countries with which we have economic relations and specifically our natural requirements and facilities were taken into account and an attempt was made to reconcile such principles with the conditions applicable in our country and to establish similarities and equality with the same when national benefits are concerned.
- Before finalizing this standard, cooperation was made with the scientific institutions and relevant stakeholders including producer/manufacturer and consumers and the standard was matured on the basis of their opinions.
- Some words and/or phrases used in this standard may be subject to patent rights. In case of such a patent right, TSE shall not be held responsible.

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Steel for the reinforcement of concrete - Reinforcing steel

1 Scope

This standard covers the general requirements and definitions concerning the performance characteristics of weldable and unweldable reinforcing steel manufactured and delivered in the forms of bar, coil (bar, wire) and straightened coil (decoiled product) for the use in the reinforced concrete constructions.

This standard does not cover reinforcing steel grades indicated below:

- Prefabricated welded wire mesh
- Galvanized reinforcing steel
- Epoxy-coated reinforcing steel
- Corrosion-resistant reinforcing steel,
- Prestressing reinforcing steel
- Cut or cutting and bending processes applied reinforcing steel,
- Strip steels with indented surface,
- Reinforcing steel manufactured from used rails and axle steel.

2 Referred standards and/or documents

References made to other standards and/or documents in this standard. These references are indicated in appropriate places in the text and are given as a list below. Those marked with * are the Turkish standards published with English text as of the date of publication of this standard.

TS No.	Turkish Title	English Title
TS EN 10020	Çelik tiplerinin tarifi ve sınıflandırılması	Definition and classification of grades of steel
TS EN 10079	Çelik mamullerin tanımları	Definition of steel products
TS EN ISO 377	Çelik ve çelik mamulleri – Mekanik deneyler için numunelerin ve deney parçalarının alınması ve hazırlanması	Steel and steel products - Location and preparation of specimens and test pieces for mechanical testing (ISO 377:1997)
TS EN ISO 7500-1	Metal malzemeler - Tek eksenli statik deney makinalarının doğrulanması - Bölüm 1: Çekme/basma deney makinaları - Kuvvet ölçme sisteminin doğrulanması ve kalibrasyonu	Metallic materials - Verification of static uniaxial testing machines - Part 1: Tension/compression testing machines - Verification and calibration of the force-measuring system (ISO 7500-1:2004)
TS EN ISO 15630-1	Çelik - Betonarme ve ön gerilmeli beton için - Deney metotları – Bölüm 1: Donatı çubukları, halatı ve teli	Steel for the reinforcement and prestressing of concrete - Test methods - Part 1: Reinforcing steel bars, wire rod and wires (ISO 15630-1:2002)

3 Terms and Definitions

The following terms and their definitions along with those provided in TS EN 10020 and TS EN 10079 are used for the purpose of this standard.

3.1 Concrete steel bar

Steel bar with circular or practically circular cross section suitable for use in reinforced concrete structures.

3.2 Deformed (ribbed) reinforcing steel bar

Steel bar with at least two rows of uninterrupted protrusions, which are uniformly formed over the length of the bar.

3.3 Longitudinal rib

Uniform and continuous protrusions formed parallel to the axis of the bar.

3.4 Transverse rib

Protrusions other than the longitudinal rib formed parallel to the axis of the bar.

3.5 Rib height, h

Perpendicular distance from the highest point of the rib (transverse or longitudinal) to the body of the bar.

3.6 Spacing of rib or indentation, c

Distance between the axis of two consecutive ribs or indentations measured parallel to the axis of the bar.

3.7 Angle of inclination of transverse rib or indentation, β

The angle between the axis of the transverse rib or indentation to the longitudinal axis of the bar

3.8 Flank inclination of transverse rib, α

Angle of the rib flank with the rib base on the plane perpendicular to the axis of the rib

3.9 Relative rib area, f_R

Rate calculated by dividing the area of the projection of all ribs on a plane perpendicular to the axis of the bar by the rib spacing and the nominal circumference.

3.10 Plain reinforcing steel

Reinforcing steel with a smooth surface

3.11 Indented reinforcing steel

Reinforcing steel with uninterrupted indentations uniformly formed over the entire length of the bar

3.12 Indentation depth, t

Distance between the surface of the bar and the deepest point of the indentation.

3.13 Indentation width, b

Width of the indentation measured parallel to the axis of the bar.

3.14 Coil

Single length of concrete reinforcing steel bar (generally bar or wire) wound in concentric rings.

3.15 Straightened Coil (Decoiled product)

Reinforcing steel manufactured in coils and subsequently straightened.

3.16 Nominal cross-sectional area, A_n

Cross-sectional area of the plain bar with circular cross-section calculated by taking the nominal diameter as d ; [e.g., $\pi (d^2/4)$]

3.17 Characteristic value

Value of a material or product property having a prescribed probability of not being attained in a hypothetical unlimited test series.

Note: This value, generally, corresponds to a specific frequency percentage value of the assumed statistical distribution of the particular property of the material or product.

3.18 Minimum value

Value, which no test result is suppose to fall below.

3.19 Maximum value

Value which no test result is suppose to exceed.

3.20 Batch

Quantity of bar, wired rod, wire or decoiled products of same nominal diameter and cast number produced in the form of coil or bar and presented for examination at any one time by the same manufacturer.

3.21 Factory manufacturing control

Continuous internal manufacturing control carried out by the manufacturer.

3.22 Semi-finished product

Intermediate product which requires further processing in order to meet any standard and the special requirements within this standard specified for reinforcing steel bars.

3.23 Standard property

Property included in this standard as factory manufacturing control condition for each test unit.

3.24 Specific property

Property not included in this standard as factory manufacturing control condition for each test unit.

3.25 Technical class

Type of concrete reinforcing steel defined by its performance characteristics and identified by a manufacturing number unique to the product.

4. Symbols

The symbols used in this standard are given in Table 1.

Note – Refer to Appendix A to compare the symbols used in this standard and the symbols used in EN 1992-1-1 and EN 1992-1-2 standards.

Table 1 – List of Symbols

Symbol	Description	Unit
A_n	Nominal cross-sectional area	mm
A_{gt}	Percentage total elongation at maximum force	%
B	Width of indentation	mm
C	Transverse rib or indentation spacing	mm
C_{eq}	Carbon Equivalent Value (CEV)	% by mass
C_v	Specified characteristic value	a
D	Nominal diameter of the reinforcing steel	mm
E	Gap between rib or indentation rows	mm
f_R	Relative rib area	-
f_P	Relative indentation area	-
h	Rib height	mm
k	Coefficient as a function of the number of test results	-
\bar{x}	Average value of test results	a
R_e	Yield strength	MPa b
R_{eh}	Upper yield strength	MPa b
R_m	Tensile strength	MPa b
R_m/R_e	Ratio tensile strength/yield strength	-
$R_{p,0.2}$	0.2 % proof strength, non-proportional extension	MPa b
s	Estimate of the standard deviation	a
α	Transverse rib flank inclination	degrees
β	Angle of transverse rib or indentation inclination	degrees
$2\sigma_a$	Stress change interval in fatigue test under axial load	MPa b
σ_{max}	Maximum specified stress in fatigue test under axial load	MPa b
$R_{e,act}$	Actual yield strength value	MPa b
$R_{e,nom}$	Specified yield strength value	MPa b
$R_{e,act} / R_{e,nom}$	Rate of actual yield strength value/specified yield strength value	-
a_1, a_2, a_3, a_4	Increment (specified in the product specification)	a
t	Depth of indentation	mm
A_5	Percentage elongation ($L_0=5d$)	%
a unit changes depending on the property.		
b 1MPa = 1 N/mm ²		

5. Designation

5.1 Bar and coil

The products covered by this standard shall be designated with the following information

- Description of the product form (bar, coil, decoiled indented bar, etc.);
- The number of this standard (in the form of TS 708)
- The nominal dimensions of the product;
- Technical class (grade).

6 Manufacturing Processes

The melting process and method of deoxidation of the steel must be as specified by the manufacturer. producer.

The manufacturing process for the production of coils and bar must be as specified by the manufacturer. Written report concerning manufacturing must be provided to the purchaser, upon request.

Decoiling process of coil material must be carried out by a machine made for this purpose

Reinforcing steel manufacturing through rerolling of finished products (plate or rail, etc) is not permissible within the scope of this standard.

7. Characteristics

7.1 Chemical Composition and weldability

Weldability depends on two characteristics indicated below:

- Carbon equivalent
- Restrictions in the rate of some elements

The maximum values of individual elements and the carbon equivalent shall not exceed the values given in Table 2.

The carbon equivalent value C_{eq} shall be calculated using the following formula:

$$C_{eq} = C + Mn/6 + (Cr+Mo+V)/5 + (Ni+Cu)/15$$

In this formula, symbols of the chemical elements are the content in percentage by mass in the steel composition.

Note – Refer to prEN ISO 17660-1 and prEN ISO 17660-2 for detailed information on welding.

Table 2 – Chemical Composition (maximum %)

Steel Class	Ca	S	P	Nb	Cu	Carbon Equivalent a
S 220	0,25	0,050	0,050	-	-	-
S 420	0,45	0,050	0,050	-	-	-
B 420 – B 500	0,22	0,050	0,050	0,012	0,80	0,50
Maximum deviation value in the product	0,02	0,005	0,005	0,002	0,05	0,02
a The maximum value of carbon equivalent to be more than 0,03% by mass is permissible, providing that carbon equivalent is less than 0,02% by mass. b Higher nitrogen contents are permissible, if sufficient quantities of nitrogen binding elements are present.						

According to this standard, durability of the products is designated in accordance with the chemical composition defined in Table 2.

7.2 Mechanical Properties

7.2.1 General

Within the scope of this standard (unless otherwise indicated), the characteristic value is the lower or upper limit of the statistical tolerance interval. In the statistical tolerance interval, the probability of 95 % ($p = 0.95$) or 90 % ($p = 0.90$) of the values being at the lower limit or above the lower limit or at upper limit or below the upper limit is a 90 % ($1 - \alpha = 0.90$). This definition refers to the long-term quality level of product.

Table 3 – Mechanical Properties

Type	Plain	Ribbed					Indented a
Class	S 220	S420	B 420B	B	B 500B	B500C	B500A
Yield strength (minimum) Re (N/mm2)	220	420	420	420	500	500	500
Tensile strength (minimum) Rm (N/mm2)	340	500	-	-	-	-	550
Ratio of Tensile Strength/Yield Strength Rm/Re	1,20 (minimum)	1,15 (minimm)	1,08 (minimum)	≥1,15 <1,35	1,08 (minimum)	≥1,15 <1,35	-
Ratio of Experimental Yield Strength/nominal yield strength Re,act/Re,nom (max)	-	1,30	-	1,30	-	1,30	-
Elongation at rupture (minimum) A5 (%)	18	10	12	12	12	12	5
Total elongation at maximum force (minimum) Aqt (%)	-	-	5	7,5	5	7,5	2,5
Angle of bend (°)	180		-				
Angle of bend/inverse angle of bend b	-		90/20				
a Can be manufactured by applying cold mechanical process.							
b “b” footnote of Table 4							

7.2.2 Conditions of Testing

Test conditions must be as indicated in Table 4.

Table 4 – Conditions relating to mechanical properties in test

Delivery conditions and manufacturing of the	Condition of Testing (test specimens)
Flat long production by hot rolling	As delivered ^a or aged ^b
Produced as coil and decoiled at delivery	Aged ^b
Produced as coil and delivered as is	Decoiled and aged ^b
^a shall be aged in the cases of dispute. ^b Ageing: is the process of heating the test piece up to 100 °C and maintaining it within ± 10 °C deviation limits and within (+15, - 0) minutes deviation limits at this temperature for 1 hour and then air cooling down to room temperature. This process is left to the discretion of the manufacturer.	

7.2.3 Tensile properties

Values specified for tensile strength (R_e , R_m/R_e , A_{gt} and when required $R_{e,act}/R_{e,nom}$) must correspond to the nominal values specified by meeting the condition of $p=0,95$ for R_e , and $p=0,90$ for A_{gt} , R_m/R_e and $R_{e,act}/R_{e,nom}$.

R_e , R_m values must be calculated by using the nominal cross-sectional area of the product.

Yield strength upper limit (R_{eH}) must be used for yield strength (R_e). If yielding does not occur, the yield strength corresponding to 0,2% permanent elongation must be taken as the basis ($R_{p0,2}$).

7.2.4 Bend Performance

Bend performance is determined in accordance with bending and/or reverse bending test applied to the product.

Upon request, bending test must be performed by bending the product at least 180° in accordance with TS EN ISO 15630-1.

No fractures or cracks must be formed on the specimen after the test. For bending test, set mandrel diameter must not be exceed the largest diameter value indicated in Table 5.

Table 5 – Largest bending diameter for bending test – For S class steel

Nominal diameter of the bar, d mm	Mandrel diameter	Bending angle
All diameters	5d	180°

Upon request, reverse bending test must be performed in accordance with TS EN ISO 15630-1.

Test specimens are bent through an angle of at least 90° around a mandrel with a diameter indicated in Table 6, and ten aged and subsequently subjected to reverse bending process by at least 20°.

After the test, the specimen should shown no sign of fracture or cracks visible to the naked eye.

Table 6 - Largest mandrel diameter for reverse bending test – for B Class steel,

Nominal diameter of the bar, d mm	Mandrel diameter	Bending-reverse bending angle
d ≤ 16 16 < d ≤ 25 d > 25	5d 8d 10d	90-120

7.3 Dimension, mass and tolerances

7.3.1 Diameter, cross-sectional area

In all diameters, nominal diameter must be indicated in increments with millimetric differences (for example 10 mm, 10,5 mm, 11,0 mm, 11,5, 12,0 mm, 12,5 mm).

Nominal diameter, nominal cross-sectional area and unit length nominal mass values for several product types are given in Table 7.

7.3.2. Unit length mass and tolerances

Unit length nominal masses (Table 7) are calculated from the values given for nominal cross-sectional area by using 7.85 kg/dm³ density value.

Tolerances allowed for unit length nominal mass are ± % 6,0 for all diameters.

Table 7 – Preferred nominal diameters, nominal cross-sectional area and nominal mass per unit length for reinforcing steel bars with plain surface, deformed and indented surfaces

Nominal diameter d	Bar	Coil	Nominal cross-sectional area mm ²	Unit length nominal mass Kg/m
4,0		X	12,6	0,099
4,5		X	15,9	0,125
5,0		X	19,6	0,154
5,5		X	23,8	0,187
6,0	X	X	28,3	0,222
6,5		X	33,2	0,260
7,0		X	38,5	0,302
7,5		X	44,2	0,347
8,0	X	X	50,3	0,395
8,5		X	56,7	0,445
9,0		X	63,6	0,499
9,5		X	70,9	0,556
10,0	X	X	78,5	0,617
10,5	X	X	86,5	0,679
11,0	X	X	95,0	0,746
11,5	X	X	103,8	0,815
12,0	X	X	113,0	0,888
12,5	X	X	122,7	0,963
13,0	X	X	132,7	1,042
13,5	X	X	143,1	1,123
14,0	X	X	154,0	1,210
14,5	X	X	165,0	1,296
15,0	X	X	176,6	1,386
15,5	X	X	188,6	1,481
16,0	X	X	201,0	1,580
16,5	X		213,7	1,678
18,0	X		254,4	2,000
18,5	X		268,7	2,109
20,0	X		314,0	2,470
20,5	X		329,9	2,590
22,0	X		380,0	2,985
22,5	X		397,4	3,120
24,0	X		452,3	3,550
24,5	X		471,2	3,699
25,0	X		491,0	3,850
25,5	X		510,4	4,007
26,0	X		531,0	4,168
26,5	X		551,3	4,327
28,0	X		616,0	4,830
28,5	X		637,6	5,005
30,0	X		706,5	5,550
30,5	X		730,2	5,732

Table 7 – cont.

Nominal diameter d	Bar	Coil	Nominal cross-sectional area mm ²	Unit length nominal mass Kg/m
32,0	X		804,0	6,310
32,5	X		829,2	6,509
40,0	X		1257,0	9,860
40,5	X		1287,6	10,108
50,0	X		1963,5	15,400
50,5	X		2001,9	15,715

7.3.3 Length of the bars

Nominal length of the bars must be decided upon by mutual agreement at the time of enquiry and order.

Permissible deviation values in nominal length must also be decided upon by mutual agreement at the time of enquiry and order.

7.3.4 Coil mass

Coil nominal mass must be decided upon by mutual agreement at the time of enquiry and order

7.4 Surface geometry

7.4.1 General

Ribbed and indented reinforcing steel bars within the scope of this standard are characterised by their surface geometry, by means of which adherence with the concrete is achieved.

Surface geometry is taken as the basis when the adherence characteristics of ribbed and indented reinforcing steel bars are determined.

7.4.2 Surface geometry of ribbed reinforcing steel bars

7.4.2.1 General

Ribbed reinforcing steel bars are characterized by their dimensions, number and configuration of transverse and longitudinal ribs. Ribbed reinforcing steel bars must have two or more rows of transverse ribs uniformly distributed around the perimeter throughout the bar. Within each row, uniform spaces must be left between the ribs. Longitudinal ribs can be present or not.

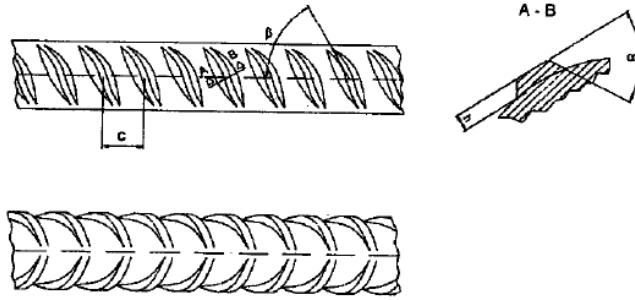
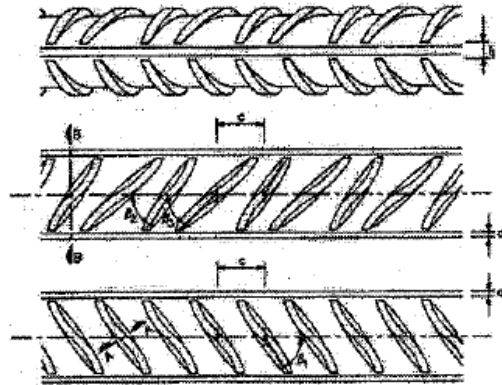
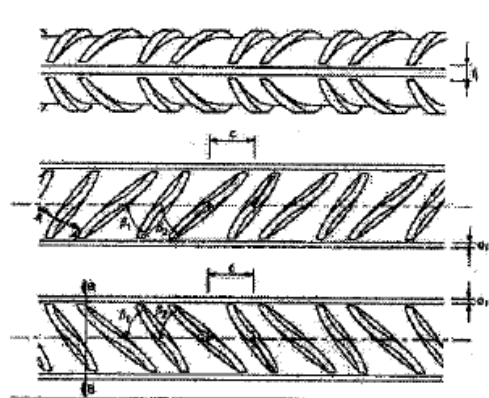
An example of ribbed reinforcing steel bar is given in Figure 1.

Ribbed reinforcing steel bars conforming to this standard must meet the conditions indicated in Article 7.4.2.2.

Rib parameters can be defined by using relative rib area f_R or combination of rib space, rib height and rib inclination of transverse ribs or using both criteria.

Measurement of rib parameters and calculation of f_R must be made in accordance with TS EN ISO 15630-1.

Transverse rib angles may be single or double angled as long as they meet the criteria for relative rib area and rib angle measures set out in Clause 7.4.2.2

S420, B420B and B420C**B500B****B500C**

Note – Two rows of transverse ribs for S420, B420B, B420C B500B and B500C quality reinforcing steel bars are shown in the figure.

Figure 1- Rib geometry

7.4.2.2 Transverse Ribs

The values of rib spaces, height and inclination must be between the limit values given in Table 9. d is the nominal diameter of the reinforcing steel bar.

Table 8- Limit values of rib parameters

Rib height, h	Rib space, c	Rib inclination, β
Between $0,03d$ and $0,15d$	Between $0,4d$ and $1,2d$	Between 35° and 75°

Table 9 – Limit values of relative rib area

Reinforcing steel bar nominal diameter, d , mm	Relative rib area
d	0,035
$6 < d$	0,040
$d >$	0,056

Transverse ribs must be in crescent shape, and must be merged smoothly by decreasing their thickness towards the core of the product.

The projections of the transverse ribs shall extend over at least 75 % of the circumference of the product, which is calculated from the nominal diameter.

The transverse rib flank inclination α must be $\geq 45^\circ$, and the transition from the rib to the core must not be sharp cornered, it must be curved.

7.4.2.3 Longitudinal ribs

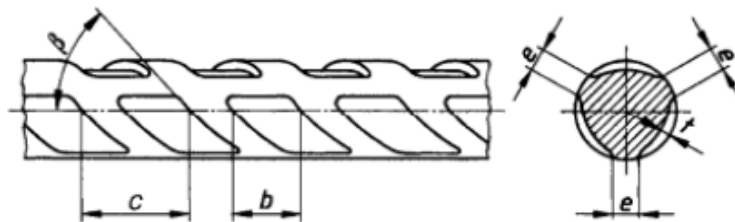
Where longitudinal ribs are present, their height shall not exceed $0.15d$, where d is the nominal diameter of the product.

7.4.3 Surface geometry of indented steel

7.4.3.1 General

Indented reinforcing steel bars are characterised by the dimensions, number and configuration of indentations. Indented reinforcing steel bars shall have at least two equally distributed rows of indentations. The indentations form an angle of inclination with the axis of the reinforcing steel bar.

An example of an indented reinforcing steel bar is shown in Figure 2.



Note – Three rows of indentations are shown in the figure.

Figure 2 – Indentation geometry

Indented reinforcing steel bar conforming to this standard must satisfy the requirements given in 7.4.3.2. Indentation parameters can be defined by using relative indentation area f_p or the combination of the indentation

parameters given in Table 10 or these two criteria.

Indentation parameters and f_p must be measured in accordance with TS EN ISO 15630-1.

7.4.3.2 Indentation geometry

The indentation parameters must be between the limits given in Tables 10. d is the nominal diameter of the reinforcing steel bar.

The indentations shall form an angle of inclination with the longitudinal axis β of between 35° and 75° .

Table 10 – Limit values of indentation parameters

Indentation depth, t	Width, b	Spacing between indentations, c	Maximum sum of spaces between indentation rows Σe
Between 0,02d and 0,1d	Between 0,2d and 1,0d	Between 0,4d and 1,5d	0,75d

7.5 Verification of performance properties

Test methods given in Article 9 must be applied for the verification of the performance properties.

8 Evaluation of conformity**8.1 Factory production control****8.1.1 General**

Reinforcing steel bars conforming to this standards must be manufactured by applying a permanent factory production control ensuring the conformity of the finished product at the same level, independently from the production process.

Factory production control system must include evaluation of the properties described in Articles 8.1.2 and 8.1.3.

Manufacturers having factory production control system conforming to TS EN ISO 9001 and satisfying the requirements of this standard are deemed as satisfying the factory production control requirements of this standard.

8.1.2 Sampling and testing of finished products**8.1.2.1 Verification of standard properties**

Sampling and tests must be performed as described in Article 8.1.2.1.1 and Article 8.1.2.1.2 for the verification of standard properties.

8.1.2.1.1 Reinforcing Steel Bars and coils

The batch, where sampling to be made for testing, can be the whole or part of the cast.

Frequency of testing must be as follows:

- For determination of chemical composition, one analysis must be made per batch being sampled. The chemical composition (cast analysis) must be determined by the steel producer;
- For bend and/or reverse bend tests and mass determination and surface geometry tests, one test piece must be taken for each sampled batch and for each nominal diameter.
- For tensile tests, at least three test pieces must be taken for each sampled batch and each nominal diameter and one test piece from each 30 tons of finished product.

Test results must be evaluated in accordance with Article 8.1.3.

8.1.2.1.2 Decoiled products

The processes to be applied on the products after decoiling, for the decoiled products to satisfy the properties indicated in the product specifications of the decoiled products, must be determined by the steel producer and given to the founder in writing. These processes must at least include the following:

- Visual inspection of the surface geometry damages after decoiling process,
- Surface geometry measurement on at least one sample for a dimension produced daily.

Tensile tests must be performed by taking at least one sample from each of the decoiled dual dimension groups for each machine type (roll or bending machine) every week. Sampling must be made in a manner to control all machines and diameters once every six months. In sampling from each cast or batch, one sample must be taken from only one coil.

Note – Tests can be carried out by the founder using his own resources or by the founder and steel producer in collaboration. These tests must be selected as the baseline not as shipping tests but for determining the long-term quality level (LTQL) as described in Article 8.5.

8.1.3 Evaluation of test results

In the evaluation, R_e , A_{gt} , R_m/R_e , $R_{e,act}/R_{e,nom}$ results are taken into consideration.

8.1.3.1 Circumstances, where C_v being specified as lower limit value

In the event of C_v being specified as lower limit value in the product specification, test results are deemed to conform to this standard, providing that the followings are satisfied:

- a) Each test result being equal or greater than the specified characteristic C_v value, or
- b) The following requirements being met:

- $\bar{X} \geq C_v + a_1$

Where,

\bar{X} : Average value

a_1 : a value defined in product specification.

Each test result $\geq C_v - a_2$

Where,

a_2 : A value specified in the product specification.

8.1.3.2 Circumstances, where C_v being specified as upper limit value

In the event of C_v being specified as upper limit value in the product specification, test results are deemed to conform to this standard, providing that the followings are satisfied:

- a) Each test result being equal or less than the specified characteristic C_v value, or
- b) The following requirements being met:

- $\bar{X} \geq C_v - a_3$

where,

\bar{X} : Average value

a_3 : A value defined in product specification.

- Each test result $\geq C_v + a_4$

where,

a_4 : a value specified in the product specification.

R_e (MPa) $a_1 = 10$; $a_2 = 15$

R_m/R_e $a_{1,3} = 0$; $a_{2,4} = 0,02$

A_{gt} (%) $a_1 = 0$; $a_2 = 0,5$

$R_{e,act.}/R_{e,nom.}$ $a_3 = 0$; $a_4 = 0,02$

8.1.3.3 Determination of bend performance, shear force, geometry and mass

All test pieces in bend and reverse bend tests must meet the requirements specified in product specification.

Each test result obtained in shear force test of welded or coupled connections must meet the requirements specified in product specification.

Results obtained from the surface geometry tests must meet the requirements specified in product specification.

None of the results obtained from the mass determination test must be outside the deviation limits specified in

Article 7.3.2.

Each sampled party not conforming to the specified requirements are subjected to retest in accordance with the processes established in the factory production control system.

8.1.4 Traceability

Delivered batches must be identifiable and traceable without any doubt by using production data. The manufacturer must keep the records and maintain these records and issue the shipping and delivery documents, to be provided with the product, in accordance with these records.

Note – Records must be kept by the founder in accordance with the national legislation.

8.2 Initial Type Tests

Specimens must be selected randomly amongst the materials prepared for testing. Care must be taken for the specimens to fully reflect the properties of the materials to be tested. Tests must be applied to entire cross-section of the product. All of the specimens must be prepared in accordance with TS EN ISO 377.

8.2.1 Standard Properties

8.2.1.1 Reinforcing steel bars and coils

In each production process, type and number of test to be applied as initial type test must be determined as described in Table 11, and the test schedule as described in Table 12.

Table 11 – Initial type test and type and number of tests to be performed on the steel bars and coils for continuous supervision

Process	Diameter	Frequency	
		Standard properties	Fatigue
Initial type tests	Upper, median and lower values of diameter limit values	3 casts (bar, wire) for each diameter of bar/coil	1 specimen for sampled dimensions of the steel classes B 420 B, B420 C, B500B and B500C (in first certification)
Continuous monitoring	Appropriate single diameter	3 casts (bar, wire) for each diameter of bar/coil	1 specimen per year

^a Tests for standard properties must be performed for the determination of the properties specified in Table 12.

Table 12 – Test schedule to be implemented for the determination of performance characteristics of reinforcing steel bar, coil and decoiled products

Property	Reinforcing steel bars, coils (bar, wire) (number of tests)	Decoiled products (bar, wire) (number of tests per coil)
Rm	10	3
Re	10	3
Rm/Re Re,act/Re,nom ^a	10	3
A5, Agt	10	3
Mass	10	3
Bend performance ^b	3	1
Chemical composition (including CEV)	3	1
	1	0

^a when required

^b bed and/or reverse bend test

8.2.1.2 Decoiled products

Specimens of the products manufactured in all types of machines with all decoiling and coil production process must be prepared and tested in accordance with Table 11. Specimens must be selected from one coil in largest and smallest diameters.

8.2.2 Fatigue test**8.2.2.1 Reinforcing steel bars and coils**

At least 1 specimen must be taken in accordance with Table 11 for any quality and diameter.

Çizelge 13 - B sınıf çelikler için yorulma kriterleri

Steel class	Tension rate $\sigma_{min} / \sigma_{max}$	Tension Interval $\sigma_{max} - \sigma_{min}$	σ_{min}	σ_{max}	Frequency	Number of cycles
B420B,C	0,40	150	100	250	1-200Hz	2×10^6
B500B,C	0,50	150	150	300	1-200Hz	2×10^6

8.2.2.2 Decoiled Products

If it is deemed necessary to determine the fatigue performance in any product specification; in each production area, 5 specimens must be taken from the product with the largest diameter manufactured on a machine, where decoiling process being performed.

8.3 Continuous monitoring and inspection of factory production control**8.3.1 General**

Objective of continuous monitoring is indicated below:

- Verifying that the requirements of factory production control indicated in Article 8.1 are met continuously
- Selecting specimens for inspection in accordance with article 8.3.2

Continuous monitoring must be performed as follows:

- Inspection of the factory production control system of the producer to verify whether it is operating at satisfactory level
- Preparation of the specimens of the products and performance of the tests as described in Article 8.3.2.

8.3.2 Control Tests of the specimens taken from the factory**8.3.2.1 Reinforcing Steel Bars and Coils****8.3.2.1.1 Standard Properties**

Standard properties must be verified by performing tests after the specimens of the products are prepared as described in Table 11 and Table 12.

Tests must be performed on the specimens taken randomly from the products obtained by different production processes. Specimens must be selected in a manner that maximum number of products and diameters are subjected to tests during the inspections being carried out within a period of 5 years.

8.3.2.1.2 Fatigue

Minimum 1 specimen must be taken once a year from B or C quality of steels in class B 420 and Minimum 1 specimen must be taken once a year from B or C quality of steels in class B 500.

8.4 Evaluation, recording and measures to be taken**8.4.1 Initial Type Tests**

Test results must be evaluated statistically for each test schedule by using appropriate techniques. In the event of results revealing that the production not satisfying the requirements in terms of standard properties or fatigue; approval should not be granted to the producer to manufacture according to this standard. Necessary measures must be taken by the producer to eliminate the identified deficiencies. Measures shall depend on the type and importance of the identified deficiencies; however, it might also include changes to be made in the production and inspection requirements.

8.4.2 Continuous Monitoring

Except for the decoiled products, the test results must be evaluated statistically by using appropriate techniques for each test schedule. The results must be recorded onto monitoring inspection report including the statistical analysis of the test results.

Test results concerning the long-term quality level of the producer must be evaluated once every six months.

In the case of test results revealing that the standard properties, fatigue or long-term quality level not complying with the production requirements; necessary measures must be taken. Measures depend on the type and importance of the identified deficiencies and must include the following.

- Increasing the frequency of factory production control (increasing the frequency of performing tests)
- Changing the production conditions
- Increasing the frequency of monitoring inspection

8.4.3. Standard Properties

In the event of products meeting the test requirements given in the product specification, products are deemed appropriate in terms of initial type tests and continuous monitoring.

8.4.4 Fatigue Test

If the product is withstanding number of cycles indicated in the product specification for initial type tests and continuous monitoring, it is deemed to conform this standard. If the incompetency is arising from a fault relating to the test specimen, the test should be deemed invalid or if the specimen breaks in an area near to the jaw of the test device, the test must be repeated (TS EN ISO 15630-1).

If the abovementioned criteria are not fulfilled, new five specimen series with representative nominal diameter are selected. If the criteria for these new additional series are met, the material is deemed to conform to this standard. In the event of criteria not being met, the reasons for the negativity must be investigated and the necessary measures must be taken to eliminate it.

8.5 Determination of long-term quality level**8.5.1. General**

The results of tests applied on all test batches taken from continuous production shall be collated and statistically evaluated for R_e , A_{gt} , and R_m/R_e and $R_{e,act}/R_{e,nom}$ (when applicable) by using either the portions corresponding to the preceding 6 months' operation or the last 200 results, whichever is the greater.

8.5.2 Evaluation of test results

The evaluation must be carried out for each nominal diameter

The following requirement must be satisfied for R_e , A_{gt} and R_m/R_e :

$$x - ks \geq C_v$$

The following requirement must be satisfied for $R_{e,act}/R_{e,nom}$ and when required for the upper limit value of R_m/R_e :

$$x + ks \geq C_v$$

where

x : is the average value;

s : is the estimate of the standard deviation of the population;

k : is the coefficient listed in Table 16 for R_e and in Table 12 for A_{gt} , R_m/R_e and $R_{e,act}/R_{e,nom}$

C_v : is the specified characteristic value.

The foregoing is based on the assumption that the statistical distribution of a large number of results is normal distribution; but this assumption of normal distribution is not a requirement of this standard. However, the following alternative methods may be used when the conformity of the production to with the requirements of this standard is achieved:

- a) Graphical methods including control charts,
- b) Non-parametric statistical techniques.

Table 14 – $R_E - k$ Coefficient as a function of the number of test results (n) [specimen with failure rate of 5 % ($p = 0.95$) at a probability of 90 %]

N	k	n	K
5	3,40	30	2,08
6	3,09	40	2,01
7	2,89	50	1,97
8	2,75	60	1,93
9	2,65	70	1,90
1	2,5	80	1,89
1	2,5	90	1,87
1	2,4	100	1,86
1	2,4	150	1,82
1	2,3	200	1,79
1	2,3	250	1,78
1	2,3	300	1,77
1	2,2	400	1,75
1	2,2	500	1,74
1	2,23	100	1,71
2	2,2	∞	1,64

Table 15– A_{gt} and $R_m/R_E - k$ coefficient as a function of the number of test results (n) [specimen with failure rate of 5 % ($p = 0.95$) at a probability of 90 %]

N	k	n	K
5	2,74	30	1,66
6	2,49	40	1,60
7	2,33	50	1,56
8	2,22	60	1,53
9	2,13	70	1,51
1	2,0	80	1,49
1	2,0	90	1,48
1	1,9	100	1,47
1	1,9	150	1,43
1	1,9	200	1,41
1	1,8	250	1,40
1	1,8	300	1,39
1	1,8	400	1,37
1	1,8	500	1,36
1	1,78	100	1,34
2	1,77	∞	1,28

9. Test Methods

9.1 Reinforcing steel bars, coils and decoiled products

The tensile test for the determination of R_E , R_m/R_E and A_{gt} , the bend and reverse bend test, fatigue test under the effect of axial load, the measurement of the surface geometry and the determination of the relative rib area f_R and the determination of deviation from nominal mass and the methods for chemical analysis must be in accordance with TS EN ISO 15630-1. And also reference must be made to Table 4.

10 Identification of Producer

10.1 Reinforcing steel bar

10.1.1 Identification of Producer

There must be a sign on one rib row of each reinforcing steel bar identifying the producer, and this identification sign must be repeated with intervals not greater than 1,5 metre.

Identification sign of the producer must be composed of following data:

- A symbol indicating the start of the sign
- A coding system made up of country code and company code and identifying the producer.

In the coding system identifying the country and the producer, one of the following methods must be used:

- Putting rib or indent between wide ribs or indents (Refer to Figure 3 as an example)
- Normal section without rib or leaving blank the wide rib or indent spacing.
- Writing numbers on the surface of the reinforcing steel bar
- Making marks between normal rib or indent with embossing or engraving

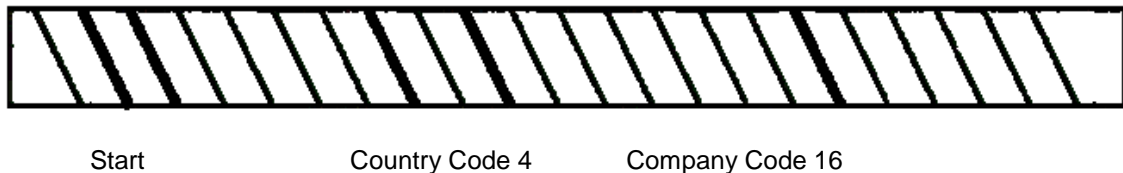


Figure 3 – Example for the identification mark of the producer

The symbol showing the start of the mark must be as one of the following:

- When using wide rib or indent as marking method; the start of the mark is indicated by two consecutive wide ribs or indents (Refer to Figure 3 as an example)
- When using the method without rib or indent in the marking method, the start of the mark is indicated by two consecutive blank areas without rib or indent
- When the numbers are written on the reinforcing steel bar, the start of the mark is indicated by X or O sign.
- When the mark is embossed or engraved on the surface of the product, the start of the mark is indicated by two signs placed between a couple of normal ribs or indents.

Country code must be indicated by a number between 1 and 9 in accordance with Table 16 (Refer to Figure 3 as an example)

Company code must be made up of one or two digit numbers between 1 and 99 except for the multiples of 10 (Refer to Figure 3 as an example)

Table 14 – Identification of country

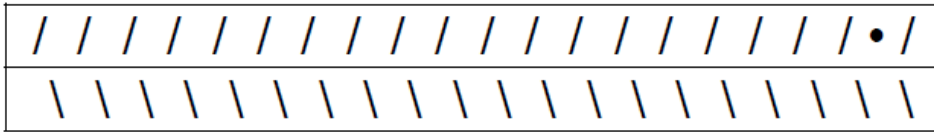
Country	Country Code
Austria, Czech Republic, Germany, Poland, Slovakia	1
Belgium, Netherlands, Luxembourg, Switzerland	2
France, Hungary	3
Italy, Malta, Slovenia	4
UK, Ireland, Iceland	5
Denmark, Estonia, Finland, Latvia, Lithuania, Norway,	6
Portugal, Spain	7
Cyprus, Greece	8
Turkey and other countries	9

Marking must be applied as embossing or as engraving on the product or on a label attached to the product

Not- If the digit are written vertically along the axis of the product, digits must be read from top to bottom.

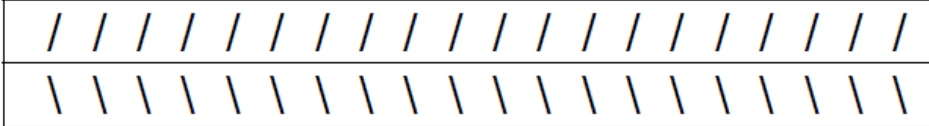
10.1.2 Shape of the rib

S420



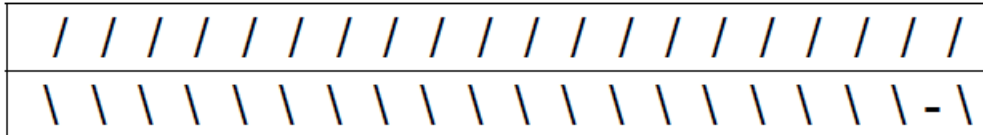
Note- shape of the rib may be produced with double angles

B420B



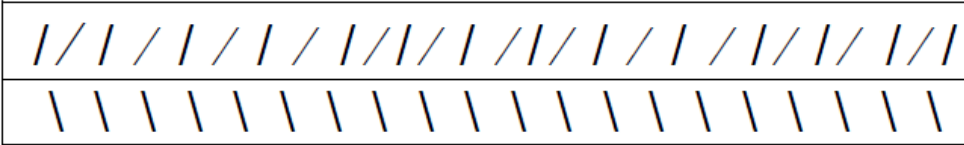
Note- shape of the rib may be produced with double angles

B420C



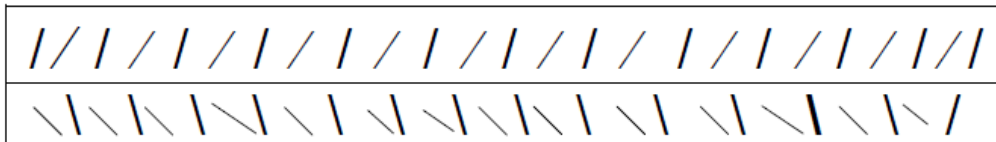
Note – the hyphen at the end indicated C type of ductility. Shape of the rib may be produced with double angles

B500B



Note- shape of the rib may be produced with single angles

B500C



Note - Shape of the rib has four angles.

Figure 4 – Shape of ribs according to quality

Marking must be implemented as embossing or engraving on the product. If there is a need to provide more details, such information may be given on a label affixed to the product by writing steel class, too. Information on the label reflects the manufacturer's declaration and so they are taken as a basis. Construction steel in any class may be used in replacement of another class provided that it meets the mechanical characteristics (Table 3) and chemical characteristics (Table 2).

10.2 Coil

Coils with ribs or indentations must be identified as described in Article 10.1 for the bars.

In coil, in the area of identification of the producer, the company performed the final mechanical process is indicated.

At the same time, an additional marking must be included at the start of the product identification mark, indicating that the product is manufactured as coil. This additional mark must be one of the following:

- a) where the marking system uses wide ribs or indentations, the extra mark must be an additional widened rib or indentation at the start of the product mark;
- b) where the marking system uses a method without ribs or indentations, the extra mark shall be an additional section without rib or indentation at the start of the product mark;
- c) where the marking system uses codes, the extra mark shall be a C letter.
- d) where the marking system uses marks rolled onto the surface, the extra mark shall be two marks between a pair of normal ribs or indentations, placed immediately prior to the start of the product number.

10.3 Decoiled Product

In addition to the manufacturer's identification mark placed onto the product, an identification mark of the decoiler company shall be either made on the product. If there is a need to provide more details, such information may be given on a label affixed to the product by writing steel class, too.

The product number must be applied to the product prior to decoiling by the casting processor or the rolling mill.

11. Verification of mechanical properties in the case of dispute

11.1 Whenever the determination of a property specified in this standard as a characteristic value creates a dispute, the value must be verified by selecting and testing three test pieces from various pieces from the batch under examination.

If one test result is less than the specified characteristic value, both the test piece and the test method must be carefully examined. If there is a local fault in the test piece or reason to believe that an error has occurred in the test, the test result shall be ignored. In this case a new test must be carried out.

If the three valid test results are greater than or equal to the specified characteristic value, the batch shall be deemed to conform to this standard.

If the results are less than the characteristic value, the requirements of 11.2 are applied

11.2 If the requirement indicated in Article 11.1 is not fulfilled, 10 additional test pieces must be selected from different products in the batch.

The batch shall be deemed to conform to this standard if the average test result of the selected 10 test pieces is higher than the characteristic value and each test result is higher than the minimum value and below the maximum level of the relevant product specification, otherwise, the batch is rejected.

APPENDIX A

(For information only)

Comparison of the symbols used in this standard and in the symbols used in TS EN 1992-1-1 and TS EN 1992-1-2

	TS 708	TS EN 1992-1-1 TS EN 1992-1-2
Yield strength	R_e	f_y
Yield strength corresponding to 0,2% permanent elongation	$R_{p0,2}$	$f_{p0,2}$
Tensile strength	R_m	f_t
Ratio of tensile strength/yield strength	R_m/R_e	f_t/f_y
Percentage total elongation under the greatest load	A_{gt}	E_u
Nominal diameter	d	\varnothing

References

- [1] EN ISO 17660-1, *Welding - Welding of reinforcing steel - Part 1: Load-bearing welded joints*
- [2] EN ISO 17660-2, *Welding - Welding of reinforcing steel - Part 2: Non load-bearing welded joints*
- [3] EN ISO 9001, *Quality management systems - Requirements*
- [4] EN 10080, *Steel for the reinforcement of concrete - Weldable reinforcing steel - General*



Designation: A510/A510M – 13

Standard Specification for General Requirements for Wire Rods and Coarse Round Wire, Carbon Steel, and Alloy Steel¹

This standard is issued under the fixed designation A510/A510M; the number immediately following the designation indicates the year of original adoption or, in the case of revision, the year of last revision. A number in parentheses indicates the year of last reapproval. A superscript epsilon (ϵ) indicates an editorial change since the last revision or reapproval.

This standard has been approved for use by agencies of the Department of Defense.

1. Scope*

1.1 This specification covers general requirements for carbon and alloy steel wire rods and uncoated coarse round wire in coils or straightened and cut lengths.

1.2 In case of conflict, the requirements in the purchase order, on the drawing, in the individual specification, and in this general specification shall prevail in the sequence named.

1.3 The values stated in either SI units or inch-pound units are to be regarded separately as standard. The values stated in each system may not be exact equivalents; therefore, each system shall be used independently of the other. Combining values from the two systems may result in non-conformance with the standard.

2. Referenced Documents

2.1 ASTM Standards:²

A5 Specification for High-Carbon Steel Joint Bars; Replaced by A 3 (Withdrawn 1979)³

A370 Test Methods and Definitions for Mechanical Testing of Steel Products

A510M Specification for General Requirements for Wire Rods and Coarse Round Wire, Carbon Steel (Metric) (Withdrawn 2011)³

A700 Practices for Packaging, Marking, and Loading Methods for Steel Products for Shipment

A751 Test Methods, Practices, and Terminology for Chemical Analysis of Steel Products

A941 Terminology Relating to Steel, Stainless Steel, Related Alloys, and Ferroalloys

A1040 Guide for Specifying Harmonized Standard Grade Compositions for Wrought Carbon, Low-Alloy, and Alloy Steels

E29 Practice for Using Significant Digits in Test Data to Determine Conformance with Specifications

E30 Test Methods for Chemical Analysis of Steel, Cast Iron, Open-Hearth Iron, and Wrought Iron (Withdrawn 1995)³

E112 Test Methods for Determining Average Grain Size

E527 Practice for Numbering Metals and Alloys in the Unified Numbering System (UNS)

2.2 SAE Standard:⁴

J 1086 Numbering Metals and Alloy

2.3 AIAG Standard:⁵

ALAGB-5 02.00 Primary Metals Identification Tag Application Standard

3. Terminology

3.1 Definitions of Terms Specific to This Standard:

3.1.1 *coarse round wire*—from 0.035 to 0.999 in. [0.90 to 25 mm] in diameter, inclusive, wire that is produced from hot-rolled wire rods or hot-rolled coiled bars by one or more cold reductions primarily for the purpose of obtaining a desired size with dimensional accuracy, surface finish, and mechanical properties. By varying the amount of cold reduction and other wire mill practices, including thermal treatment, a wide diversity of mechanical properties and finishes are made available.

3.1.1.1 *Discussion*—Coarse round wire is designated by Steel Wire Gauge numbers, common fractions, or decimal parts of an inch, or metric equivalents. The Steel Wire Gauge system (US) is shown in Table 1 (English Units) and Table 1(M) (SI Units). Since the many gauge systems in use may cause confusion, the purchaser is encouraged to specify wire diameters in inches, decimal parts, or metric equivalents.

3.1.2 *straightened and cut wire*—wire that is produced from coils of wire by means of special machinery which straightens the wire and cuts it to a specified length.

¹ This specification is under the jurisdiction of ASTM Committee A01 on Steel, Stainless Steel and Related Alloys and is the direct responsibility of Subcommittee A01.03 on Steel Rod and Wire.

Current edition approved April 1, 2013. Published April 2013. Originally approved in 1964. Last previous edition approved in 2011 as A510 – 11. DOI: 10.1520/A0510_A0510M-13.

² For referenced ASTM standards, visit the ASTM website, www.astm.org, or contact ASTM Customer Service at service@astm.org. For *Annual Book of ASTM Standards* volume information, refer to the standard's Document Summary page on the ASTM website.

³ The last approved version of this historical standard is referenced on www.astm.org.

⁴ Available from Society of Automotive Engineers (SAE), 400 Commonwealth Dr., Warrendale, PA 15096-0001, <http://www.sae.org>.

⁵ Available from Automotive Industry Action Group (AIAG), 26200 Lahser Rd., Suite 200, Southfield, MI 48033, <http://www.aiag.org>.

*A Summary of Changes section appears at the end of this standard

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TABLE 1 Steel Wire Gauge^A (English Units)

Gauge No.	Decimal Equivalent, in.	Gauge No.	Decimal Equivalent, in.
7/0	0.490	9	0.148*
6/0	0.462*	9½	0.142
5/0	0.430*	10	0.135
4/0	0.394*	10½	0.128
3/0	0.362*	11	0.120*
2/0	0.331	11½	0.113
1/0	0.306	12	0.106*
1	0.283	12½	0.099
1½	0.272	13	0.092*
2	0.262*	13½	0.086
2½	0.253	14	0.080
3	0.244*	14½	0.076
3½	0.234	15	0.072
4	0.225*	15½	0.067
4½	0.216	16	0.062*
5	0.207	16½	0.058
5½	0.200	17	0.054
6	0.192	17½	0.051
6½	0.184	18	0.048*
7	0.177	18½	0.044
7½	0.170	19	0.041
8	0.162	19½	0.038
8½	0.155	20	0.035*

^A The steel wire gauge outlined in this table has been taken from the original Washburn and Moen Gauge chart. In 20 gauge and coarser, sizes originally quoted to 4 decimal equivalent places have been rounded to 3 decimal places in accordance with rounding procedures of Practice E29. All rounded U.S. customary values are indicated by an asterisk.

TABLE 1 (M) Steel Wire Gauge^A (SI Units, mm)

0.90	6.0
1.00	6.5
1.10	7.0
1.20	7.5
1.30	8.0
1.40	8.5
1.60	9.0
1.80	9.5
2.0	10.0
2.1	11.0
2.2	12.0
2.4	13.0
2.5	14.0
2.6	15.0
2.8	16.0
3.0	17.0
3.2	18.0
3.5	19.0
3.8	20.0
4.0	21.0
4.2	22.0
4.5	23.0
4.8	24.0
5.0	25.0
5.5	

3.1.2.1 *Discussion*—The straightening operation may alter the mechanical properties of the wire, especially the tensile strength. The straightening operation may also induce changes in the diameter of the wire. The extent of the changes in the properties of the wire after cold straightening depends upon the kind of wire and also on the normal variations in the adjustments of the straightening equipment. It is therefore not possible to forecast the properties of straightened and cut wire and each kind of wire needs individual consideration. In most cases, the end use of straightened and cut wire is not seriously influenced by these changes.

3.1.3 *wire rods*—rods that are hot rolled from billets to an approximate round cross section into coils of one continuous length. Rods are not comparable to hot-rolled bars in accuracy of cross section or surface finish and as a semifinished product are intended primarily for the manufacture of wire.

3.1.3.1 *Discussion*—Rod sizes from 7/32 to 47/64 in. [5.5 to 18.6 mm] in diameter, inclusive, are designated by fractions or decimal parts of an inch or metric equivalents as shown in Table 2 (English Units) and Table 2(M) (SI Units).

4. Ordering Information

4.1 Orders for hot-rolled wire rods under this specification should include the following information:

4.1.1 Quantity (lbs [kg or Mg]),

4.1.2 Name of material (wire rods),

4.1.3 Diameter (Table 2),

4.1.4 Chemical composition grade no. (Guide A1040),

4.1.5 Packaging,

4.1.6 ASTM designation and date of issue, and

4.1.7 Special requirements, if any.

NOTE 1—A typical ordering description is as follows: 100 000 lb Wire Rods, 7/32 in., Grade 1010 in approximately 1000 lb Coils to 50 000 kg

TABLE 2 Sizes of Wire Rods^A (English Units)

Inch Fraction	Decimal Equivalent, in.	Inch Fraction	Decimal Equivalent, in.
7/32	0.219	31/64	0.484
15/64	0.234	1/2	0.500
1/4	0.250	33/64	0.516
17/64	0.266	17/32	0.531
9/32	0.281	35/64	0.547
19/64	0.297	7/16	0.562
5/16	0.312	37/64	0.578
21/64	0.328	19/32	0.594
11/32	0.344	39/64	0.609
23/64	0.359	5/8	0.625
3/8	0.375	41/64	0.641
25/64	0.391	21/32	0.656
13/32	0.406	43/64	0.672
27/64	0.422	11/16	0.688
7/16	0.438	45/64	0.703
29/64	0.453	23/32	0.719
15/32	0.469	47/64	0.734

^A Rounded off to 3 decimal places in decimal equivalents in accordance with procedures outlined in Practice E29.

TABLE 2 (M) Sizes of Wire Rods (SI Units, mm)

5.5	12.5
6	13
6.5	13.5
7	14
7.5	14.5
8	15
8.5	15.5
9	16
9.5	16.5
10	17
10.5	17.5
11	18
11.5	18.5
12	19



steel wire rods, 5.5 mm, Grade G10100 in approximately 600 kg for metric orders to ASTM A510 dated _____.

4.2 Orders for coarse round wire under this specification should include the following information:

- 4.2.1 Quantity (lbs or pieces [kg or pieces]),
- 4.2.2 Name of material (uncoated carbon steel wire or alloy steel wire),
- 4.2.3 Diameter (see 3.1.1),
- 4.2.4 Length (straightened and cut only),
- 4.2.5 Chemical composition (Guide A1040),
- 4.2.6 Packaging,
- 4.2.7 ASTM designation and date of issue, and
- 4.2.8 Special requirements, if any.

NOTE 2—A typical ordering description is as follows: 40 000 lb Uncoated Carbon or Alloy Steel Wire, 0.148 in. (9 ga.) diameter, Grade 1008 in 500 lb Coils on Tubular Carriers to ASTM A150/A150M-XX, or 2500 Pieces, Carbon or Alloy Steel Wire, 0.375 in. diameter, Straightened and Cut 29½ in., Grade 1015, in 25 Piece Bundles on Pallets to ASTM A150/A150M-XX.

For metric, a typical ordering description is as follows: 15 000 kg uncoated carbon or alloy steel wire 3.8 mm diameter, Grade G10080 in 1000 Kg coils on tubular carriers to ASTM A150/A150M-XX, or 2500 pieces carbon or alloy steel wire, 9.5 mm diameter, straightened and cut, 0.76 m, Grade G10500, in 25-piece bundles on pallets to ASTM A150/A150M-XX.

5. Manufacture

5.1 The steel shall be made by any commercially accepted steel making process. The steel may be either ingot cast or strand cast.

6. Chemical Composition

6.1 The chemical composition for steel under this specification shall conform to the requirements set forth in the purchase order. Chemical compositions are specified by ranges or limits for carbon and other elements. The grades commonly specified for carbon and alloy steel wire rods and coarse round wire are designated in Guide A1040.

6.1.1 For wire rods intended for direct-drawn wire, it is common practice to specify a range of tensile strength. If chemistry ranges are also specified, due consideration should be taken to ensure that the producer can achieve the required strengths within the allowable carbon range. The Mn, P, and S limits for carbon steel wire rods are normally specified according to Guide A1040.

6.2 *Boron Additions to Control Strain Ageing Behavior*—Intentional additions of boron to low carbon steels for the purpose of controlling strain ageing behavior during wire drawing is permissible only with the agreement of the purchaser. In such cases, the boron content shall be reported in either a material test report or certification.

6.2.1 For steels that do not have intentional boron additions for hardenability or for control of strain ageing behavior, the boron content will not normally exceed 0.0008 %.

6.3 *Cast or Heat Analysis (Formerly Ladle Analysis)*—An analysis of each cast or heat shall be made by the producer to determine the percentage of the elements specified. The analysis shall be made from a test sample, preferably taken during the pouring of the cast or heat. The chemical composition thus

determined shall be reported, if required, to the purchaser, or his representative. Reporting of significant figures and rounding shall be in accordance with Test Methods, Practices, and Terminology A751.

6.4 *Product Analysis (Formerly Check Analysis)*—A product analysis may be made by the purchaser. The analysis is not used for a duplicate analysis to confirm a previous result. The purpose of the product analysis is to verify that the chemical composition is within specified limits for each element, including applicable permissible variations in product analysis. The results of analyses taken from different pieces of a heat may differ within permissible limits from each other and from the heat or cast analysis. Table 3 shows the permissible variations for product analysis of carbon steel. Table 4 shows the permissible variations for product analysis of alloy steel. The results of the product analysis obtained, except lead, shall not vary both above and below the permissible limits.

6.4.1 Rimmed or capped steels are characterized by a lack of uniformity in their chemical composition, especially for the elements carbon, phosphorus, and sulfur, and for this reason product analysis is not technologically appropriate for these elements unless misapplication is clearly indicated.

6.4.2 Because of the degree to which phosphorus and sulfur segregate, product analysis for these elements is not technologically appropriate for rephosphorized or resulfurized steels, or both, unless misapplication is clearly indicated.

6.4.3 The location at which chips for product analysis are obtained from the sample is important because of segregation. For rods and wire, chips are taken by milling or machining the full cross section of the sample.

6.4.3.1 Steel subjected to certain thermal treatment operations by the purchaser may not give chemical analysis results that properly represent its original composition. Therefore,

TABLE 3 Permissible Variations for Product Analysis of Carbon Steel

Element	Limit, or Max of Specified Range, %	Over Max Limit, %	Under Min Limit, %
Carbon	0.25 and under over 0.25 to 0.55, incl over 0.55	0.02 0.03 0.04	0.02 0.03 0.04
Manganese	0.90 and under over 0.90 to 1.65, incl	0.03 0.06	0.03 0.06
Phosphorus	to 0.040, incl	0.008	...
Sulfur	to 0.060, incl	0.008	...
Silicon	0.35 and under over 0.35 to 0.60, incl	0.02 0.05	0.02 0.05
Copper ^A	under minimum only	...	0.02
Lead ^B	0.15 to 0.35, incl	0.03	0.03

^A Product analysis permissible variations for copper apply only when the amount of copper is specified or required. Copper bearing steels typically specify 0.20 % min copper.

^B Product analysis permissible variations for lead apply only when the amount of lead is specified or required. A range from 0.15 to 0.35 % lead is normally specified for leaded steels.



TABLE 4 Product or Verification Analysis Tolerances—Alloy Steels

Element	Limit or Maximum of Specified Range, %	Tolerance Over Maximum Limit or Under Minimum Limit, %
Carbon	To 0.30, incl	0.01
	Over 0.30 to 0.75, incl	0.02
	Over 0.75	0.03
Manganese	To 0.90, incl	0.03
	Over 0.90 to 2.10, incl	0.04
Phosphorus	Over max only	0.005
Sulfur	To 0.060, incl ^A	0.005
Silicon	To 0.40, incl	0.02
	Over 0.40 to 2.20, incl	0.05
Nickel	To 1.00, incl	0.03
	Over 1.00 to 2.00, incl	0.05
	Over 2.00 to 5.30, incl	0.07
	Over 5.30 to 10.00, incl	0.10
Chromium	To 0.90, incl	0.03
	Over 0.90 to 2.10, incl	0.05
	Over 2.10 to 3.99, incl	0.10
Molybdenum	To 0.20, incl	0.01
	Over 0.20 to 0.40, incl	0.02
	Over 0.40 to 1.15, incl	0.03
Vanadium	To 0.01, incl	0.01
	Over 0.10 to 0.25, incl	0.02
	Over 0.25 to 0.50, incl	0.03
	Min value specified, check under min limit	0.01
Tungsten	To 1.00, incl	0.04
	Over 1.00 to 4.00, incl	0.08
Aluminum	Up to 0.10, incl	0.03
	Over 0.10 to 0.20, incl	0.04
	Over 0.20 to 0.30, incl	0.05
	Over 0.30 to 0.80, incl	0.07
	Over 0.80 to 1.80, incl	0.10
Lead	0.15 to 0.35, incl	0.03 ^B
Copper	To 1.00, incl	0.03
	Over 1.00 to 2.00, incl	0.05

^A Sulfur over 0.060 % is not subject to check, product, or verification analysis.

^B Tolerance is over and under.

purchasers should analyze chips taken from the steel in the condition in which it is received from the producer.

6.4.3.2 When samples are returned to the producer for product analysis, the samples should consist of pieces of the full cross section.

6.4.4 For referee purposes, Test Methods E30 shall be used.

7. Metallurgical Structure

7.1 Grain size, when specified, shall be determined in accordance with the requirements of Test Methods E112.

7.2 Wire rods of the steel grades listed in Table 3, when supplied in the “as-rolled” condition, shall not contain injurious microconstituents such as untempered martensite.

8. Mechanical Requirements

8.1 The properties enumerated in individual specifications shall be determined in accordance with Test Methods and Definitions A370.

8.2 Because of the great variety in the kinds of wire and the extensive diversity of end uses, a number of formal mechanical test procedures have been developed. These tests are used as control tests by producers during the intermediate stages of wire processing, as well as for final testing of the finished product, and apply particularly to specification wire and wires for specified end uses. A number of these tests are further described in Supplement IV, Round Wire Products, of Test Methods and Definitions A370.

8.3 Since the general utility of rods and wire requires continuity of length, in the case of rods, tests are commonly made on samples taken from the ends of coils after removing enough rings to clear any non-uniformity in the controlled cooling process, if applicable. In the case of wire, tests are commonly made on samples taken from the ends of coils, thereby not impairing the usefulness of the whole coil.

9. Dimensions, Mass, and Permissible Variations

9.1 The diameter and out-of-roundness of the wire rod shall not vary from that specified by more than that prescribed in Table 5 (English Units) and Table 5(M) (SI Units).

9.2 The diameter and out-of-roundness of the coarse round wire and straightened and cut wire shall not vary from that specified by more than that prescribed in Table 6 (English Units) and Table 6(M) (SI Units).

9.3 The length of straightened and cut wire shall not vary from that specified by more than that prescribed in Table 7 (English Units) and Table 7(M) (SI Units).

TABLE 5 Permissible Variations in Diameter for Wire Rod in Coils (English Units)

NOTE 1—For purposes of determining conformance with this specification, all specified limits are absolute as defined in Practice E29.

Diameter of Rod		Permissible Variation, Plus and Minus, in.	Permissible Out-of-Round, in.
Fractions	Decimal		
$\frac{7}{16}$ to $\frac{1}{4}$ in., incl	0.219 to 0.734 in., incl	0.016	0.025

TABLE 5 (M) Permissible Variations in Diameter for Wire Rod in Coils (SI Units)

NOTE 1—For purposes of determining conformance with this specification, all specified limits are absolute as defined in Practice E29.

Diameter of Rod [mm]		Permissible Variation, Plus and Minus, [mm]	Permissible Out-of-Round, [mm]
5.5 to 19		0.40	0.60

**TABLE 6 Permissible Variations in Diameter for Uncoated Coarse Round Wire (English Units)**

NOTE 1— For purposes of determining conformance with this specification, all specified limits are absolute as defined in Practice E29.

In Coils		
Diameter of Wire, in.	Permissible Variations, Plus and Minus, in.	Permissible Out-Of-Round, in.
0.035 to under 0.076	0.001	0.001
0.076 to under 0.500	0.002	0.002
0.500 and over	0.003	0.003

Straightened and Cut		
Diameter of Wire, in.	Permissible Variations, Plus and Minus, in.	Permissible Out-Of-Round, in.
0.035 to under 0.076	0.001	0.001
0.076 to 0.148, incl	0.002	0.002
Over 0.148 to under 0.500	0.003	0.003
0.500 and over	0.004	0.004

TABLE 6 (M) Permissible Variations in Diameter for Uncoated Coarse Round Wire (SI Units)

NOTE 1— For purposes of determining conformance with this specification, all specified limits are absolute as defined in Practice E29.

In Coils		
Diameter of Wire, [mm]	Permissible Variations, Plus and Minus, [mm]	Permissible Out-Of-Round, [mm]
0.90 to under 1.90	0.03	0.03
1.90 to under 12.5	0.05	0.05
12.5 and over	0.08	0.08

Straightened and Cut		
Diameter of Wire, [mm]	Permissible Variations, Plus and Minus, [mm]	Permissible Out-Of-Round, [mm]
0.90 to under 1.90	0.03	0.03
1.90 to under 3.80	0.05	0.05
3.80 to under 12.5	0.08	0.08
12.5 and over	0.10	0.10

9.4 The burrs formed in cutting straightened and cut wire shall not exceed the diameter specified by more than that prescribed in Table 8 (English Units) and Table 8(M) (SI Units).

10. Workmanship, Finish, and Appearance

10.1 The wire rod shall be free of detrimental surface imperfections, tangles, and sharp kinks.

10.1.1 Two or more rod coils may be welded together to produce a larger coil. The weld zone may not be as sound as the original material. The mechanical properties existing in the weld metal may differ from those in the unaffected base metal. The weld may exceed the standard dimensional permissible variations on the minus side and must be within the permissible variations on the plus side.

10.2 The wire as received shall be smooth and substantially free from rust, shall not be kinked or improperly cast. No

TABLE 7 Permissible Variations in Length for Straightened and Cut Wire (English Units)

NOTE 1—For purposes of determining conformance with this specification, all specified limits are absolute as defined in Practice E29.

Cut Length, ft	Permissible Variations, Plus and Minus, in.
Under 3	$\frac{1}{16}$
3 to 12, incl	$\frac{3}{32}$
Over 12	$\frac{1}{8}$

TABLE 7 (M) Permissible Variations in Length for Straightened and Cut Wire (SI Units)

NOTE 1—For purposes of determining conformance with this specification, all specified limits are absolute as defined in Practice E29.

Cut Length, [m]	Permissible Variations, Plus and Minus, [mm]
Under 1.0	1.6
1.0 to 4.0	2.4
Over 4.0	3.0

TABLE 8 Permissible Variations for Burrs for Straightened and Cut Wire (English Version)

NOTE 1—For purposes of determining conformance with this specification, all specified limits are absolute as defined in Practice E29.

Diameter of Wire, in.	Permissible Variation over Measured Diameter, in.
Up to 0.125, incl	0.004
Over 0.125 to 0.250, incl	0.006
Over 0.250 to 0.500, incl	0.008
Over 0.500	0.010

TABLE 8 (M) Permissible Variations for Burrs for Straightened and Cut Wire (SI Units)

NOTE 1—For purposes of determining conformance with this specification, all specified limits are absolute as defined in Practice E29.

Diameter of Wire, [mm]	Permissible Variation over Measured Diameter, [mm]
Up to 3.0, incl	0.10
Over 3.0 to 6.5, incl	0.15
Over 6.5 to 12.5, incl	0.20
Over 12.5	0.25

detrimental die marks or scratches may be present. Each coil shall be one continuous length of wire. Welds made during cold drawing are permitted.

10.3 The straightened and cut wire shall be substantially straight and not be kinked or show excessive spiral marking.

11. Number of Tests and Retests

11.1 The difficulties in obtaining truly representative samples of wire rod and coarse round wire without destroying the usefulness of the coil of wire account for the generally accepted practice of allowing retests for mechanical tests and surface examination. Two additional test pieces are cut from each end of the coil from which the original sample was taken. A portion of the coil may be discarded prior to cutting the



sample for retest. If any of the retests fails to comply with the requirements, the coil of wire may be rejected. Before final rejection, however, it is frequently advisable to base final decision on an actual trial of the material to determine whether or not it will be suitable for the intended use.

12. Inspection

12.1 The manufacturer shall afford the purchaser's inspector all reasonable facilities necessary to satisfy him that the material is being produced and furnished in accordance with this specification. Mill inspection by the purchaser shall not interfere unnecessarily with the manufacturer's operations. All tests and inspections shall be made at the place of manufacture, unless otherwise agreed.

13. Rejection and Rehearing

13.1 Any rejection based on tests made in accordance with this specification shall be reported to the producer within a reasonable length of time. The material must be adequately protected and correctly identified in order that the producer may make a proper investigation.

14. Certification

14.1 When specified in the purchase order or contract, a producer's or supplier's certification shall be furnished to the purchaser that the material was manufactured, sampled, tested, and inspected in accordance with this specification and has been found to meet the requirements. When specified in the purchase order or contract, a report of the test results shall be furnished.

14.2 The certification shall include the specification number, year date of issue, and revision letter, if any.

14.3 A material test report, certificate of inspection, or similar document printed from or used in electronic form from an electronic data interchange (EDI) transmission shall be regarded as having the same validity as a counterpart printed in the certifier's facility. The content of the EDI transmitted document shall meet the requirements of the invoked ASTM standard(s) and conform to any existing EDI agreement between the purchaser and the manufacturer. Notwithstanding the absence of a signature, the organization submitting the EDI transmission is responsible for the content of the report.

NOTE 3—The industry definition as invoked here is: EDI is the computer-to-computer exchange of business information in a standard format such as ANSI ASC X12.

15. Packaging and Package Marking

15.1 A tag shall be securely attached to each coil or bundle and shall be marked with the size, ASTM specification number, heat or cast number, grade number, and name or mark of the manufacturer.

15.2 When specified in the purchase order, packaging, marking, and loading for shipments shall be in accordance with those procedures recommended by Practices A700.

15.3 *Bar Coding*—In addition to the previously-stated identification requirements, bar coding is acceptable as a supplementary identification method. Bar coding should be consistent with AIAG B-5 02.00, Primary Metals Identification Tag Application. The bar code may be applied to a substantially affixed tag.

16. Keywords

16.1 alloy steel; carbon; carbon steel; coarse round wire; general; grain size; straightened and cut; weld; wire; wire rods

SUMMARY OF CHANGES

Committee A01 has identified the location of selected changes to this standard since the last issue (A510 – 11) that may impact the use of this standard. (Approved April 1, 2013.)

(1) Revised Section 5.1.

(2) Revised Section 11.1.

(3) Added new Section 14.3.

(4) Added Table 4.

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UNITED STATES DEPARTMENT OF COMMERCE
International Trade Administration
Washington, DC 20503

C-489-819

Administrative Review

POR: 9/15/2014 - 12/31/2014

Public Document

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June 6, 2017

MEMORANDUM TO: Ronald K. Lorentzen
Acting Assistant Secretary
for Enforcement and Compliance

FROM: Gary Taverman
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

SUBJECT: Decision Memorandum for Final Results of Countervailing Duty
2014 Administrative Review of Steel Concrete Reinforcing Bar
from the Republic of Turkey

I. Summary

The Department of Commerce (the Department) has completed its administrative review of the countervailing duty (CVD) order on steel concrete reinforcing bar (rebar) from the Republic of Turkey (Turkey) for the period September 15, 2014, through December 31, 2014. The mandatory respondents are Icdas Celik Enerji Tersane ve Ulasim Sanayi A.S. (Icdas) and Kaptan Demir Celik Endustrisi ve Ticaret A.S. (Kaptan Demir) and Kaptan Metal Dis Ticaret ve Nakliyat A.S. (collectively, the Kaptan Demir Companies). After analyzing the issues raised by the interested parties in their briefs, we determine that the respondent companies each received a *de minimis* net countervailable subsidy rate during the period of review (POR).

II. Background

On December 9, 2016, the Department published the *Preliminary Results* for this review.¹ We preliminarily found that additional information was needed for the “Purchase of Electricity for More Than Adequate Remuneration (MTAR) – Sales to Public Buyers” program. We issued a post-preliminary analysis memorandum for the program on March 6, 2017.²

On March 13, 2017, the Department received a case brief from the petitioner³ and a collective

¹ See *Steel Concrete Reinforcing Bar from the Republic of Turkey: Preliminary Results of Countervailing Duty Administrative Review and Intent to Rescind the Review in Part; 2014*, 81 FR 89057 (December 9, 2016) (*Preliminary Results*), and accompanying Decision Memorandum (Preliminary Decision Memorandum).

² See Memorandum, “Post-Preliminary Analysis,” dated March 3, 2017 (Post-Prelim Analysis).

³ The petitioner is the Rebar Trade Action Coalition (RTAC). Members of RTAC are Byer Steel Corporation, Commercial Metals Company, Gerdau Ameristeel US Inc., and Nucor Corporation.



351.524(b)(2). Because the total value of the assistance provided was less than 0.5 percent of total export sales, we expensed the grant to the year of receipt (*i.e.*, the POR). To calculate the subsidy rate, we divided the grant amount by Icdas' total export sales for the POR. On this basis, we determine a net countervailable subsidy rate of 0.01 percent *ad valorem* for Icdas.

B. Programs Determined To Not Be Countervailable

The petitioner and the respondents submitted comments in their case and rebuttal briefs regarding the following listed programs, which are addressed at Comment 1. The Department made no changes to its preliminary findings that the programs are not countervailable. For more information, see the *Preliminary Results*²⁸ and the Post-Preliminary Analysis.²⁹

1. Purchase of Electricity for MTAR – Sales on the Grid
2. Purchase of Electricity for MTAR – Sales to Public Buyers

C. Program Determined To Not Be Countervailable For a Respondent

The petitioner and the respondents submitted comments in their case and rebuttal briefs regarding the “Provision of Natural Gas for LTAR,” which are addressed at Comment 3. The Department made no changes to its preliminary finding for this program. For more information, see the *Preliminary Results*.³⁰

D. Programs Determined To Not Confer Countervailable Benefits

The Department made no changes to, and interested parties raised no issues in their case briefs regarding, the preliminary findings that the following programs did not confer a countervailable benefit to the respondents. For the descriptions and analyses used for these programs, see the *Preliminary Results*.³¹

1. Reduction and Exemption of Licensing Fees for Renewable Resource Power Plants
2. Investment Incentive Certificates

E. Programs Determined To Not Be Used

The petitioner and the respondents submitted comments in their case and rebuttal briefs regarding the “Purchase of Electricity for MTAR – Sales *via* Build-Operate-Own (BOO), Build-Operate-Transfer (BOT), and Transfer of Operating Rights (TOR) Contracts” and “Provision of Lignite for LTAR,” which are addressed at Comment 1 and 2, respectively. The Department made no changes to its preliminary findings for these two programs or for the other programs

²⁸ See Preliminary Decision Memorandum at 10-12.

²⁹ See Post-Prelim Analysis.

³⁰ See Preliminary Decision Memorandum at 12-14.

³¹ *Id.*, at 14.

- h. Exemptions from Foreign Exchange Restrictions to Turkish Rebar Producers Located in Free Zones
- i. Preferential Rates for Land Rent and Purchase to Turkish Rebar Producers Located in Free Zones

VII. Analysis of Comments

Comment 1: Whether the Purchase of Electricity for MTAR Is Countervailable

Petitioner's Arguments:

- The petitioner argues that the Department should analyze electricity for MTAR as a single subsidy program and find it to be countervailable because of the GOT's intervention in, and distortion of, the Turkish electricity market. However, should the Department continue to analyze three separate programs, the petitioner argues that the Department should reverse its preliminary finding and determine that both sales on the grid and sales to public buyers are countervailable.
- The petitioner argues that, rather than acting as a bridge between the sellers and buyers, the GOT dominates and distorts the electricity market through four state-owned enterprises (SOEs): Turkish Electricity Transmission Corporation (TEIAS), Electricity Generation Company (EUAS), Turkish Electricity and Wholesale Trading Company (TETAS), and Turkish Electricity and Distribution Company (TEDAS).³³
- As explained by the GOT, the Market Financial Settlement Center (MFSC) "was responsible to make financial settlement of the operations that were made in electricity markets and to manage payment, invoicing and other financial activities."³⁴ The petitioner, thus, claims that TEIAS/MFSC paid for electricity.
- The petitioner also asserts that based on the GOT's responses, the electricity supply and demand is "regulated by MFSC/TEIAS."³⁵ Therefore, the petitioner submits that, while TEIAS may not technically take title to the electricity, TEIAS/MFSC sets the price for electricity.
- Additionally, the petitioner notes that the GOT explained that "TEIAS' activities in the ancillary services market are not performed for commercial purposes."³⁶
- The petitioner claims the balancing system of the electricity grid distorts the market, with the result of enriching electricity producers, and cites to an academic paper which states that "the balancing market soon turned into a primary market. Private investors soon gained a bargaining power vis-à-vis the state to negotiate the prices."³⁷ Arguing that the electricity market is distorted, the petitioner points to a study which states the "realized opening {of the market} is as low as 23% because of the state's dominant position in the

³³ See Petitioner's Case Brief at 2-3 (*citing* Petitioner's New Subsidy Allegations," dated January 19, 2016 (NSA Submission) at Exhibit 8, page 4 (*IPP Investment in Turkey's Electric Power Industry* (June 2005))).

³⁴ *Id.*, at 4 (*citing* GOT's April 26, 2016 Response of the Government of Turkey to the NSA Questionnaire in the 2014 CVD Administrative Review of Imports of Steel Concrete Reinforcing Bar from Turkey (GOT NSAR) at 2).

³⁵ *Id.*

³⁶ *Id.*

³⁷ *Id.*, at 7 (*citing* Petitioner's Comments on New Subsidy Questionnaire Responses, dated May 10, 2016 (Petitioner's NSAR Comments) at Exhibit 1, page 10 and note 17 (*Towards a Fully Liberalized Turkish Electricity Market: Progress and Problems* (2011)) (Petitioner's Comments on NSQR)).

market.”³⁸ The petitioner also notes an International Trade Administration (ITA) Turkey case study on smart grid technology in which ITA stated that the “Turkish power sector is a mix of both public and private entities.”³⁹

- The petitioner adds that a national tariff system supported by a price equalization mechanism was applied all over Turkey at least until the end of 2015.⁴⁰ The petitioner claims that, by using this price equalization mechanism, cash flow deficiencies of some utilities due to a high level of losses are balanced through TETAS from the utilities with excess cash flow.⁴¹
- Regarding the Department’s post-preliminary finding that public buyers pay electricity prices that are either at or below the market prices, the petitioner states that the GOT controls the market and sets the market rates, including the electricity prices published in the National Price Schedules (NPS). The petitioner asserts that whether the electricity is purchased above or below the prices listed in the schedules is irrelevant.
- Because TEIAS/MFSC sets the price for electricity, the petitioner asserts that the GOT provides a financial contribution to Turkish power producers. The petitioner also asserts that the purchase of electricity is both *de jure* and *de facto* specific because the GOT controls the supply and demand of electricity, therefore setting the price by statute. Further, the petitioner claims that there is only one user – the power industry.
- Concerning benefit, the petitioner submits that, to measure whether the purchases were made for MTAR, the Department should use the electricity pricing data from the Iran Power Generation Transmission Company, which the petitioner placed on the record, because Turkey imported electricity from Iran during the POR.

Respondents’ Arguments:

- The Department was correct in its preliminary finding that Icdas’ sales of electricity through TEIAS did not involve GOT purchases of electricity for MTAR.
- The Department also correctly found that TEIAS facilitates the purchase and sale of electricity by market participants by transmitting electricity from sellers to buyers, acting as a market clearing agent, and maintaining market equilibrium.
- TEIAS does not purchase or take title to electricity purchased or sold by market participants. Consequently, TEIAS’ functions cannot include government purchases of electricity for MTAR and, thus, cannot provide countervailable benefits.
- Additionally, the Department correctly found, in its Post-Preliminary Analysis, that Icdas’ electricity sales to public buyers did not give rise to any benefit through the government’s purchases for MTAR because all such sales were at prices either equal to or below market rates as published in the NPS.
- Lastly, because Icdas has no BOO, BOT, or TOR contracts, the respondents state that the Department correctly found this program to be not used.

³⁸ *Id.*, at 8 (citing NSA Submission at Exhibit 11, page 276 - 277 (*Renewable Energy Support Mechanism in Turkey: Financial Analysis and Recommendations to Policymakers* (2014))).

³⁹ *Id.*, at 8-9 (citing Petitioner’s NSAR Comments at Exhibit 2 (*2016 Top Markets Report Smart Grid, Country Case Study: Turkey* (2016))).

⁴⁰ *Id.*, at 8 (citing NSA Submission at Exhibit 11, page 276 (*Renewable Energy Support Mechanism in Turkey: Financial Analysis and Recommendations to Policymakers* (2014))).

⁴¹ *Id.*

Petitioner's Rebuttal:

- The GOT controls the Turkish electricity market and, therefore, controls the prices for electricity on the grid and the prices listed in the NPS. As such, electricity for MTAR should be examined as one distinct program and found to be countervailable.
- Regarding BOO, BOT, and TOR contracts, the petitioner states that, from the record, it appears that Icdas has no contracts; however, it is impossible to know whether or not Kaptan Demir did. The petitioner notes that the Department refused to collect a questionnaire response from Kaptan Demir's subsidiary power plant (*see* Comment 5).

Respondents' Rebuttal:

- The respondents assert that the petitioner's arguments rest on an incorrect rendering of the role that the GOT plays in the electricity market. The respondents argue that the petitioner employs a combination of outdated information and misinterpretations to portray the market as distorted by SOEs that control and manipulate prices.
- The respondents note that the Department initiated on the program based on U.S. Embassy cables that referenced energy contracts negotiated with the GOT more than 20 years ago, and articles dated at least five to nine years prior to the POR.
- They add that the petitioner fails to demonstrate how more recent materials cited in its case brief serve to support its contention that the GOT controls and sets prices in the electricity market. For example, the petitioner cites to a 2016 ITA Turkey study for support that the power sector includes both public and private entities, which the respondents state is a true statement, but says absolutely nothing about how electricity prices are set.
- Conversely, Icdas submitted on the record a 2015 World Bank Study, which concluded that the Turkish electricity market has undergone significant change over the past ten years.⁴² Specifically, the study finds that by 2014, the Turkish electricity market operated as a private market for buyers and sellers of electricity.⁴³
- Fallacies in the petitioner's assertion that prices in the electricity market are manipulated and controlled by the GOT are illustrated by disingenuous arguments confounding the role of public bodies such as TEIAS and MFSC as market facilitators with that of a price setter.
- The respondents assert that the role played by TEIAS/MFSC in the electricity market is essentially the same as that played in securities markets by clearing houses which do not set prices, but facilitate the operation of the market that sets the prices and settles the sales and purchase transactions.
- The GOT's explanation that MFSC is responsible for the financial settlement of transactions in the market and the management of payment, invoicing, and other financial activities is consistent with its role as a market operator and clearing house and cannot be construed to mean that TEIAS/MFSC paid for electricity.
- Additionally, the respondents assert that the petitioner's misconstruction of the GOT's statement that MFSC is the market operator means that TEIAS/MFSC "sets the price for electricity in Turkey" is unfounded. Power generators sell electricity to the market

⁴² See Respondents' Rebuttal Brief at 3-4 (*citing* Icdas September 8, 2016 SQR at Exhibit S2-5 (*Turkey's Energy Transition - Milestones and Challenges* (July 2015))).

⁴³ *Id.* (*citing* *Turkey's Energy Transition - Milestones and Challenges* (July 2015) at 13).

operated by MFSC based on the prices set in the DAM. MFSC does not set the prices in the market or purchase electricity from power producers. As such, there can be no financial contribution within the meaning of section 771(5)(D)(iv) of the Act.

- The record establishes that Icdas did not sell electricity to public or government entities except in a few instances where a local government purchased power at the same discounted rates as any regular free consumer.
- The respondents add that the petitioner's arguments for a tier-two benchmark to measure the adequacy of remuneration are also flawed. Distortion is found when it is reasonable to conclude that prices are substantially affected by the government's involvement in a market or where the government represents a majority or a substantial portion of the market. However, here, the GOT is neither a majority nor a substantial provider in the market.

Department's Position: As an initial matter, we disagree with the petitioner that the Department should treat electricity for MTAR as a single subsidy program rather than as three separate programs: Purchase of Electricity for MTAR – Sales on the Grid, Purchase of Electricity for MTAR – Sales to Public Buyers, and Purchase of Electricity for MTAR – Sales *via* BOO, BOT, and TOR Contracts. Given the different sales channels through which a power producer can sell electricity in Turkey (*i.e.*, on the electricity grid, *via* bilateral contracts to wholesalers and free consumers, and to the government under long-term contracts for BOO, BOT, and TOR projects), we find that it is appropriate to treat each manner of sales as a separate and distinct program. We, therefore, respond to the petitioner's and the respondents' comments for each program separately below.

Purchase of Electricity for MTAR – Sales on the Grid

We disagree with the petitioner's arguments that the GOT purchases electricity from private power producers, namely Icdas and its cross-owned affiliates,⁴⁴ at above-market prices. The evidence on the record does not substantiate the petitioner's assertions that TEIAS/MFSC⁴⁵ pays for electricity or that TEIAS/MFSC sets the price for electricity.

As detailed on the record, power producers and suppliers sell electricity to unidentified third parties, not TEIAS or MFSC, *via* the grid through the Day Ahead Market (DAM) and the Balancing Power Market (BPM) based on the rules and procedures outlined in the *Balancing Settlement Regulation (BSR)*.⁴⁶ The DAM is a voluntary power exchange in which supply and demand are balanced by the bids and offers of suppliers and consumers, and the prices are

⁴⁴ Icdas reported that it, Icdas Elektrik, and Icdas Toptan sold electricity through TEIAS during the POR. *See* Icdas NSAR at 1. Icdas and Icdas Elektrik both produce and sell electricity. Icdas Toptan is a trading company that has a supplier license and sells the electricity produced by the other group companies. *Id.* *See also* GOT NSAR at 1.

⁴⁵ TEIAS is the government entity that manages the transmission of electricity in Turkey. MFSC is a unit under TEIAS which operates as market clearance system for private sector electricity sales and purchases. *See* Icdas NSAR at 6-7.

⁴⁶ *See* GOT June 13, 2016 SQR at 3-13; Icdas Companies' April 26, 2016 Response to NSA CVD Questionnaire (Icdas NSAR) at 1-4; Icdas Companies' June 13, 2016 Response to First Supplemental CVD Questionnaire (Icdas June 13, 2016 SQR) at 11-22; and Icdas September 8, 2016 SQR at 3-8.

determined according to the participants' bids and offers.⁴⁷ Real-time balancing of the market occurs in the BPM based on bids to buy energy if the system is long and offers to sell energy if the system is short by generators.⁴⁸

Articles 11 and 12 of the *BSR* set forth the role and responsibilities of MFSC as the market operator, and TEIAS as the system operator, respectively.⁴⁹ Specifically, Article 11 stipulates that MFSC performs market operations through which the electricity price forms based on the supply and demand conditions automatically and transparently.⁵⁰ MFSC operates the Market Management System (MMS), an online software system where market participants (*i.e.*, sellers and buyers) place offers and bids for the quantity of electricity they want to sell or buy on an hourly basis in both markets.⁵¹ In the DAM, until 11:30am, parties present the electricity quantity and prices that they want to sell/purchase on an hourly basis for the next day.⁵² MMS sorts the lowest price-quantity combination to the highest price-quantity combination.⁵³ Each price-quantity combination is then merged with the following price-quantity combinations submitted by using a linear interpolation method.⁵⁴ The market-clearing price for each hour of the next day is published on the web.⁵⁵

Because market participants make their bids/offers for electricity a day ahead in the DAM, there could be some unexpected circumstances that would change the production plans of power producers or consumption plans of consumers and, thus, cause a surplus or deficit. Therefore, TEIAS operates the BPM to ensure real-time balancing of the electricity in the market. In the BPM, by 4pm, participants submit their offers/bids and final day ahead generation/consumption schedules into MMS.⁵⁶ The offers/bids to correct the surplus/deficit of electricity are ranked based on their prices for each hour and each zone.⁵⁷ MMS finds the system marginal price for each hour, based on market conditions, and publicly announces the prices.⁵⁸

The hourly price of electricity in the DAM and BPM is determined by the MMS using an algorithm based on competitive bidding among the parties.⁵⁹ The pricing of electricity sold on the grid is not subject to any government tariffs or rates.⁶⁰ Accordingly, we find that the evidence shows that neither TEIAS nor MFSC sets the price for electricity, but rather administers the system through which the market prices are determined.

⁴⁷ See World Bank Report *Turkey's Energy Transition Milestones and Challenges* (July 2015) at Exhibit S2-5 (page 77) of Icdas September 8, 2016 SQR.

⁴⁸ *Id.*, at 78.

⁴⁹ See GOT NSAR at Exhibit 2 (*BSR*).

⁵⁰ *Id.*

⁵¹ See GOT June 13, 2016 SQR at 7-8; Icdas NSAR at 1-4; Icdas June 13, 2016 SQR at 11-22; and Icdas September 8, 2016 at 3-8.

⁵² See Icdas September 8, 2016 SQR at 4-8; and GOT June 13, 2016 SQR at 10-11.

⁵³ *Id.*

⁵⁴ *Id.*

⁵⁵ *Id.*

⁵⁶ *Id.*

⁵⁷ *Id.*

⁵⁸ *Id.*

⁵⁹ *Id.*

⁶⁰ *Id.*

At month's end, through MFSC,⁶¹ TEIAS handles the financial settlement of the transactions in the markets (*i.e.*, managing payment, invoicing, and other financial activities).⁶² Specifically, generation and consumption meters of all market participants are read and the results are entered into the MMS. TEIAS then provides to each party a Settlement Notice that reports the amount of electricity that should be invoiced by each participant and the balances that should be paid by each participant.⁶³ Because none of the market participants know to whom they sold or from whom they purchased electricity, *i.e.*, parties either sell or buy from the pool,⁶⁴ TEIAS calculates the amount of receivables and payables to be accrued and prepares the related invoices.⁶⁵ As such, TEIAS invoices the power producer for its payables, the power producer invoices TEIAS for its receivables, and TEIAS invoices the buyers.⁶⁶ Payments of the electricity invoices by the parties are handled not by TEIAS or MFSC, but by participating banks, which provide the cash exchange services.⁶⁷

Article 11(3) of the *BSR* states that the market operator “shall carry out the settlement transactions and calculate the amount of receivables and payables to be accrued for balancing mechanism and energy imbalances, and prepare the related receivable-payable notices.”⁶⁸ Article 9(a) of the *BSR* further states that the market operator “shall not incur any loss or profit due to these procedures executed on behalf of wholesale electricity market.”⁶⁹ We note that TEIAS' 2014 Annual Report affirms that the credits and the debits to be accrued to the market participants within the scope of the balancing and settlement activities are carried out in accordance with the *BSR*, where the amount of the total credits to be accrued to the market participants have to be equal to the amount of the total debts.⁷⁰ Thus, while TEIAS does collect transmission and system utilization and usage fees,⁷¹ TEIAS has otherwise no inflow or outflow of money with regard to the electricity purchase transactions between the sellers and buyers, as stated under Turkish law.⁷² Therefore, TEIAS can neither purchase nor sell electricity.⁷³ Accordingly, we find that the evidence shows that TEIAS/MFSC does not pay for electricity.

In support of its arguments, the petitioner notes that the GOT stated “TEIAS' activities in the ancillary services market are not performed for commercial purposes.”⁷⁴ However, the GOT's

⁶¹ MFSC operated under TEIAS until March 2015, when the Energy Markets Operating Corporation (EPIAS) and Energy Exchange Istanbul (EXIST) were established and assumed the financial settlement operations in the electricity market. See GOT NSAR at 2; and Icdas NSAR at 2.

⁶² See GOT NSAR at 3-6; GOT June 13, 2016 SQR at 3-6; Icdas NSAR at 1-4; Icdas June 13, 2016 SQR at 11-22; and Icdas September 8, 2016 SQR at 3-8.

⁶³ See Icdas June 13, 2016 SQR at 15.

⁶⁴ See Icdas September 8, 2016 SQR at 4-6.

⁶⁵ See GOT NSAR at Exhibit 2 (at Article 9(a) and Article 113(1)).

⁶⁶ See GOT June 13, 2016 SQR at 8; Icdas June 13, 2016 SQR at 21-22; and Icdas September 8, 2016 SQR at 5.

⁶⁷ See GOT NSAR at Exhibit 2 (at “Part Seven – Provisions Regarding Financial Matters”).

⁶⁸ *Id.*, at Exhibit 2 (*BSR*).

⁶⁹ *Id.*

⁷⁰ See Icdas NSAR at Exhibit 3, page 137 (TEIAS' 2014 Annual Report at “Financial Issues in the Electricity Market Operation”).

⁷¹ See GOT June 13, 2016 SQR at 8-9; and GOT NSAR at Exhibit 1 for the *Electricity Market Law* (Law No. 6446) at Article 17, which lists the fees and charges to be paid by all system users.

⁷² See GOT June 13, 2016 SQR at 4, 6, and 8; and Icdas September 8, 2016 SQR at 5-6.

⁷³ See GOT NSAR at 2.

⁷⁴ See Petitioner's Case Brief at 5.

statement must be considered within the context of the GOT's full response. The GOT explained that in the ancillary market:

TEIAS may obtain electricity capacity reserve from electricity generators in order to meet the system needs. This obtainment is not for commercial purposes it is rather for ensuring the instantaneous balance in the system. Thus, GOT does not purchase electricity from power generators in the ancillary market.⁷⁵

The GOT further explained the meaning of "may obtain." Specifically, the GOT stated that the nature of the obtainment is outlined in Article 12(b) of the *BSR*, which is "to ensure instantaneous balance in the system while preserving adequate supply quality, keep necessary reserves through the procurement of ancillary services and balancing mechanism."⁷⁶ To ensure the balance between supply and demand in the system on a real-time basis and to secure the system reliability, TEIAS is provided with the real-time balancing tools: Primary Frequency Control Reserve Capacity and Secondary Frequency Control Reserve Capacity (as stated in Article 8 of the *BSR*).⁷⁷ Through the use of such tools, the GOT explained that TEIAS maintains reserve capacity in the power plants should the system need to be balanced.⁷⁸ As such, we do not consider the GOT's description of TEIAS' ancillary responsibility as "not performed for commercial purposes" as evidence that TEIAS pays for or sets the prices for electricity.

The petitioner also references a study published in the *International Energy Law Review* which indicates that prices in the secondary market (*i.e.*, BPM) tend to be higher compared to the primary market (*i.e.*, DAM) and, therefore, private firms terminated contracts with consumers (*i.e.*, wholesalers and end-users) and began solely to trade in the secondary market to maximize prices.⁷⁹ We first note that the study, published in 2011, relies on observations and conclusions obtained from other sources that were published in 2007 and 2010.⁸⁰ Additionally, the study evaluates the Turkish electricity market under the *Electricity Market Law 2001*;⁸¹ however, during the POR, the electricity market operated under the *Electricity Market Law* (Law No. 6446), which entered into force on March 30, 2013.⁸² As such, the descriptions and conclusions of the secondary market presented in the study published in the *International Energy Law Review* are not relevant to or contemporaneous with the 2014 POR, and more recent studies placed on the record contradict the observations of the study. For example, an article published in the *International Journal of Energy Economics and Policy* in 2014, states that "The electricity market is based on bilateral agreements complemented with the balancing and settlement

⁷⁵ See GOT June 13, 2016 SQR at 12.

⁷⁶ *Id.*, at 6-7.

⁷⁷ *Id.*

⁷⁸ *Id.*

⁷⁹ See Petitioner's Case Brief at 6-7.

⁸⁰ See Petitioner's Comments on NSQR at Exhibit 1, page 10 (second paragraph and footnote 17) (*Towards a Fully Liberalized Turkish Electricity Market: Progress and Problems* (2011)).

⁸¹ *Id.*, at I and II.

⁸² See NSA Submission at Exhibit 9, page 1 (*Overview of Electricity Regulation in Turkey* (2014)).

market.”⁸³ Moreover, the findings of the study published in the *International Energy Law Review* are not substantiated by Icdas’ electricity sales activity during the POR.⁸⁴

The petitioner further cites to another article which discusses that, as part of the GOT’s transitional period of moving toward liberalization and privatization in the electricity market, a national tariff system supported by a price equalization mechanism was applied until the end of 2015.⁸⁵ The petitioner states that, by using the price equalization mechanism, cash flow deficiencies of some utilities due to a high level of losses are balanced through TETAS from the utilities with excess cash flow.⁸⁶ We note that yet another article, also placed on the record by the petitioner, explains that the GOT decided to adopt the national tariff system for the purpose of balancing the theft of electricity and the technical losses that occur during transmission and distribution which differ across the distribution zones.⁸⁷ We thus find that the price equalization mechanism of the national tariff system is not evidence that the government purchases electricity for MTAR from power producers.

We determine that none of the arguments raised by the petitioner warrant a change from the Department’s preliminary finding. We, therefore, continue to find that the electricity transmitted through the grid by the power producers is purchased not by TEIAS or MFSC but, rather, by the buyers in the marketplace through MFSC. As stated under Turkish law, TEIAS’ responsibilities are to transmit electricity, serve as the market clearing agent, and maintain market equilibrium, as specified in the *BSR*. Based on the record evidence, we find that TEIAS does not purchase or take title to the electricity being sold by power producers, about which the petitioner agrees,⁸⁸ but rather TEIAS transmits the electricity from the sellers to the buyers and handles the related financial reconciliation, which involves issuing invoices. The record indicates that power producers invoice TEIAS not because TEIAS purchased electricity from them, but because the sellers invoice the net amount to TEIAS based on the electricity consumption of unspecified buyers and, concurrently, the buyers receive an invoice from TEIAS on behalf of the sellers through the financial settlement process.⁸⁹ Further as noted above, TEIAS can neither make losses nor earn profits from its activities and does not have cash flow, other than the collection of transmission fees and system utilization charges. As such, we conclude that TEIAS’ role is to manage and operate the electricity market to facilitate the buying and selling of electricity by market participants as outlined in the *BSR*. Additionally, given the role of the MMS, the prices for the electricity sold *via* the grid are determined based on the competitive bidding of the sellers and buyers who place offers and bids for the quantity of electricity they want to sell or buy on an hourly basis in the DAM and BPM,⁹⁰ and not by TEIAS/MFSC.

⁸³ See NSA Submission at Exhibit 11, page 276 (*Renewable Energy Support Mechanism in Turkey: Financial Analysis and Recommendations to Policymakers* (2014)).

⁸⁴ See Icdas June 13, 2016 SQR at Exhibit S1-19.

⁸⁵ See Petitioner’s Case Brief at 8.

⁸⁶ *Id.*

⁸⁷ See Petitioner’s Comments on NSQR at Exhibit 1, page 11-12 (*Towards a Fully Liberalized Turkish Electricity Market: Progress and Problems* (2011)).

⁸⁸ See Petitioner’s Case Brief at 4.

⁸⁹ See GOT June 13, 2016 SQR at 8; Icdas June 13, 2016 SQR at 21-22; and Icdas September 8, 2016 SQR at 5. See also GOT NSAR at Exhibit 2 (*BSR* at Article 9(a) and Article 113(1)).

⁹⁰ See GOT June 13, 2016 SQR at 7-8; Icdas NSAR at 1-4; Icdas June 13, 2016 SQR at 11-22; and Icdas September 8, 2016 at 3-8.

Thus, based on the evidence, we determine that TEIAS/MFSC's role in facilitating the purchase and sale of electricity on the grid does not constitute a government purchase of electricity for MTAR and, therefore, does not constitute a government financial contribution to power producers under section 771(5)(D)(iv) of the Act. Having found that there is no financial contribution, we conclude that there is no basis to consider the petitioner's claim that the Turkish electricity market is distorted. Additionally, we find that there is no need to address the parties' arguments regarding the calculation of a benefit or make a determination of specificity. This finding is consistent with the Department's final determination in *CVD Rebar II - Final*.⁹¹

Purchase of Electricity for MTAR – Sales to Public Buyers

We disagree with the petitioner's argument that, because the GOT sets the electricity rates published in the NPS, the Department should countervail Icdas' sales of electricity to public buyers during the POR. First, there is no evidence on the record to indicate that the NPS electricity rates are not market-based prices. Second, the basis of the program is whether public buyers purchased electricity from private power producers for more than the market price. The evidence on the record, as examined in the Department's Post-Prelim Analysis, indicates that the public buyers purchase electricity from private power producers, including Icdas, at electricity prices that are either at or below the set market rates (*i.e.*, the electricity prices published in the NPS).⁹² Consequently, electricity was not and is not purchased for MTAR by the public buyers.

As such, the arguments raised by the petitioner warrant no change from the Department's preliminary finding. We, therefore, continue to find that the "Purchase of Electricity for MTAR – Sales to Public Buyers" does not constitute a countervailable subsidy under section 771(5) of the Act because the purchase of electricity by public buyers through bilateral contracts does not give rise to any benefit *per se* in terms of payment for MTAR.

Purchase of Electricity for MTAR - Sales via BOO, BOT, and TOR Contracts

Based on the record evidence, we continue to find that Icdas and the Kaptan Demir Companies did not use this program during the POR. The GOT reported that the respondent companies did not have any BOO, BOT, or TOR contracts and, therefore, the GOT did not purchase electricity from the respondent companies under those schemes during the POR.⁹³ Icdas and Kaptan Demir Companies also reported that they did not have any BOO, BOT, or TOR contracts with the GOT for the sale of electricity during the POR.⁹⁴ For the Department's response to the petitioner's comments on Kaptan Demir's subsidiary power plant, *see* Comment 5.

⁹¹ See *Steel Concrete Reinforcing Bar from the Republic of Turkey: Final Affirmative Countervailing Duty Determination*, 82 FR 23188 (May 22, 2017) (*CVD Rebar II – Final*), and accompanying Issues and Decision Memorandum (IDM) at Electricity for MTAR and Comment 6.

⁹² See Post-Prelim Analysis.

⁹³ See GOT NSAR at 1.

⁹⁴ See Icdas NSAR at 1; and Kaptan Demir Companies' April 21, 2016 Response to NSA CVD Questionnaire at 1-3, for the companies' statements that they had no sales of electricity to the government during the POR.

PUBLIC RECORD

Barcode:3578880-01 C-489-819 REV - Admin Review 9/15/14 - 12/31/14

VIII. Conclusion

Based on our analysis of the comments received, we recommend adopting all the above positions. If this recommendation is accepted, we will publish the final results of this review in the *Federal Register*.




Agree



Disagree

6/6/2017

X 

Signed by: RONALD LORENTZEN
Ronald K. Lorentzen
Acting Assistant Secretary
for Enforcement and Compliance

Exhibit H-4.1
Inward Processing Regime Resolution
(In Turkish & English)

Resolution No.: 2005/8391
Date of Resolution: 17 January 2005

Official Gazette No: 25709
Date of Official Gazette: 27 January 2005

The Council of Ministers decided on 17 January 2005 that the attached "*Resolution Concerning Domestic Processing Regime*" be put into force pursuant to Report No. 2004/114 dated 30 December 2004 of High Planning Board, and in accordance with the amended Article 1 of Law No. 261 dated 27 June 1963, Article 3/C of Law No. 933 dated 28 July 1967, amended Article 1 of Law No. 1567 dated 20 February 1930, amended Article 2 of Law No. 474 dated 14 May 1964, Articles 80, 111, 115 and 121 of Law No. 4458 dated 27 October 1999 and the provisions of Law No.2976 dated February 2 1984.

Recep Tayyip ERDOĞAN
Prime Minister

Ahmet Necdet SEZER
President

RESOLUTION CONCERNING DOMESTIC PROCESSING REGIME

SECTION I

PURPOSE, SCOPE AND DEFINITIONS

Purpose

Article 1 — This Resolution has been prepared in order to increase exports by way of procuring raw materials at world market prices, to give competition power to export products in international markets, to promote export markets and to diversify the export products.

Scope

Article 2 – This Resolution covers the regulation and enforcement of measures related to the defining, guiding and promotion of exportation of finished products with imported inputs used in their production as well as the sales and deliveries of the same considered as exportation.

Definitions

Article 3 — The meanings of terms used in this Resolution are as follows:

Undersecretariat: The Undersecretariat of Foreign Trade.

Community: The European Community.

Third Country: Countries other than the Member States of the European Community.

Free Zones: The free zones located within Turkey's Custom's Area.

Goods in Free Movement: Pursuant to Article 18 of Customs Law No. 4458, the goods obtained wholly within Turkey's Customs Area and not containing any inputs imported from the countries or territories outside Turkey's Customs Area or obtained from goods subject to conditional exemption and considered not to bear any special economic importance according to the provisions of regime they are subject to or imported from the countries or territories outside Turkey's Customs Area under the regime concerning entry into free movement or obtained or produced separately or together within Turkey's Customs Area from the goods specified above.

Processing Activity: Working and processing of goods including mounting, assembly and combining with other goods and their repair including renewal and putting into order, as well as the using of certain pre-

determined goods which, even if they are wholly or partly consumed during processing, have not been incorporated into the goods but ensure or facilitate the production of such goods.

To obtain: Subjecting the goods to processing activity.

Processed Products: The primary or auxiliary processed products obtained as a result of a processing activity.

Primary Processed Products: Products aimed to be obtained under the Domestic Processing Regime.

Auxiliary Processed Products: Products other than the primary processed products, obtained as a result of a processing activity.

Import Goods: The raw materials, auxiliary materials and semi-finished and finished products used in obtaining the processed products, as well as the materials (including fuels and oils) which, although are not into the processed products, ensure the operation of processed products or ensure the continuity of services incorporated (spare parts, etc.), and the packing materials and operating supplies.

Operating Supplies: Materials (excluding energy sources and fuels) which are not in the nature of investment machinery and equipment, and are employed in obtaining the processed products whose exportation has been committed, and although not incorporated into the processed products, ensure the operation of stationary facilities.

Unaltered Goods: Imported goods not subjected to any processing.

Agricultural Products: The vegetable products grown on soils, or in soilless medium using new production techniques and technologies, the animal products, fishery products and other fresh-water products as included in the relevant lists of Import Regime Resolution, as well as their forms obtained after they are subjected to primary processing.

Processed Agricultural Products: Products containing the basic agricultural products (cereals, sugar, and milk), as included in the relevant List of Import Regime Resolution.

Industrial Products: All products other than the agricultural products and processed agricultural products.

Wastage: The parts of goods which are lost or destroyed particularly due to drying, evaporation, leaking or gas leakage during processing activities, as well as wastes which have no economic value.

Productivity Rate: Quantity or percentage of processed products obtained as a result of processing a defined quantity of goods.

Foreign-exchange Utilization Rate: The percentage ratio of CIF import value (excluding domestic purchases) to FOB export value, for transactions realized under a Domestic Processing Authorization Certificate/Domestic Processing Authorization.

Importation in Advance: Importation of goods to be used in obtaining the processed products prior to their exportation.

Exportation in Advance: Exportation of processed products obtained from equivalent goods prior to the importation of import goods under the Conditional Tax Immunity System.

Equivalent Goods: Goods in free movement which are used instead of imports in the obtaining of processed products, and which have the same Customs Tariff Position with at least (eight)-bases as import goods and bear the same commercial qualities and technical characteristics.

Trade Policy Measures: The measures taken in accordance with the regulations stipulated in Article 4 of Import Regime Resolution.

Tax: All financial obligations such as taxes, duties, fees, fund payments etc. which are stipulated for collection during import and export goods.

Subjecting the Goods to a Process or Use Approved by the Customs Authorities: Subjecting the goods to a Customs regime, their re-export to a place outside Turkey's Customs Area or to free zones or their annihilation or leaving at the Customs.

Customs Regime: Any one of the Free Movement Entry Regime, Transit Regime, Customs Warehouse Regime, Domestic Processing Regime, Temporary Importation Regime, Overseas Processing Regime or Export Regime.

Domestic Processing Authorization Certificate: A certificate to be issued by the Undersecretariat to enable importation with Customs duty immunity and/or realization of domestic purchases, in exports or in the sales and deliveries considered as exports.

Certificate: The Domestic Authorization Certificate.

Term of Certificate: The period shown in the Domestic Processing Authorization Certificate during which all import and/or export transactions committed under that certificate will be effected and all relevant exemptions will be applicable.

End of Term of Certificate: The last day of the month in which the term of certificate expires.

Domestic Processing Authorization: An authorization granted by relevant Customs Administration to enable importation with Customs duty exemption with the purpose of exportation.

Authorization: The Domestic Processing Authorization.

Term of Authorization: The period shown in the Domestic Processing Authorization during which all import and/or export transactions committed under that Authorization will be effected and all relevant exemptions will be applicable.

End of Term of Authorization: The last day of the month in which the term of Authorization expires.

Approved Person Status Certificate: A certificate granted by the Undersecretariat of Customs in accordance with the Customs Legislation.

A.TR Movement Certificate: A certificate to be issued by the exporting country's authorized institutions and endorsed by relevant Customs Administration, in order to enable the goods subject to free movement in Turkey or in the Community to take advantage of the Preferential Regime stipulated in the Additional Protocol.

Origin-evidencing Certificates: The EUR-1 Movement Certificate or Invoice Declaration evidencing the origin of goods, as issued by the authorized institutions of exporting country and endorsed by relevant Customs Administration in order to take advantage of Preferential Regime within the framework of agreements which Turkey is a party to.

Pan-European Cumulation of Origin: The trading system formed in Europe among the countries tied to each other by Free Trade Agreements based on same rules concerning origin of goods, and enabling the importation, under the Preferential Regime, of a processed product obtained using goods whose origin is a country party to said agreements, into another country subject to this Cumulation.

Supplier's Declaration: The certificate used along with the A.TR Movement Certificate or EUR-1 Movement Certificate, and showing the origin of goods which are included under the Pan-European Cumulation of Origin and constitute the subject matter of trade between Turkey and the Community.

Manufacturer-Exporter: A firm holding a Domestic Processing Authorization Certificate Domestic Processing Authorization and producing the whole or a part of the processed product and effecting its exportation on its own and/or through an intermediary exporter.

Exporter: A firm holding a Domestic Processing Authorization Certificate/Domestic Processing Authorization, which is not a manufacturer but causes a side manufacturer to produce the processed products from the import goods, and then exports them either by itself and/or through an intermediary exports.

Side Manufacturer: A firm producing either the whole, or a part of the export product committed under a Domestic Processing Authorization Certificate, Domestic Processing Authorization, and although registered in said Certificate Authorization, not being its actual owner.

Intermediary Exporter: An exporting firm not holding a Certificate Authorization but effecting the exportation of products committed under a Domestic Processing Authorization Certificate, Domestic Processing Authorization exactly in the same form as supplied by the firm holding that Certificate/Authorization.

SECTION II DOMESTIC PROCESSING MEASURES

Domestic Processing Measures

Article 4 — These measures shall comprise the following:
System of Conditional Immunity, and
System of Refund.

Conditional Immunity System

Article 5 — The firms residing in Turkey's Customs Area (excluding free zones) shall be granted authorization to import, the raw materials, auxiliary materials, semi-finished products, finished products, unaltered goods, packing materials and operating supplies which are required in obtaining the processed products committed to be exported on the basis of Domestic Processing Authorization Certificate, Domestic Processing Authorization, but are not in free movement, without being subject to the Trade Policy Measures, against posting of a guarantee equal to the amount of taxes arising from such importation, and returning said guarantee after the export commitment is realized.

Instead of the imported goods used in obtaining the processed products, under a Domestic Processing Authorization Certificate, those goods in free movement which have the same Customs Tariff Position based on at least 8 (eight) digits as the import goods and bear the same commercial qualities and technical characteristics may be used as equivalent goods. This system enables to realize exportation in advance and importation afterwards under a Domestic Processing Certificate, as well as to use the import goods together with the goods in free movement. The Undersecretariat (General Directorate of Exports) may introduce prohibitions or restrictions to the use of equivalent goods, either with no time limit or for a defined period of time. If the processed products obtained using equivalent goods have been exported prior to the importation of import goods, then the importation of goods corresponding to this transaction may be effected until the end of the term of the Certificate. During importation to be effected under this scheme, all taxes including the value added tax (provided that the provisions of Special Consumption Tax Law No. 4760 are reserved) shall be covered under a guarantee, and the trade policy measures shall not be applicable. Any goods imported following the realization of exportation in advance, in a proportion corresponding to such exportation, may be freely used by the firm holding the Certificate.

In cases where the processed product is obtained from equivalent goods, the import goods shall be treated as equivalent goods while the equivalent goods as import goods in carrying out the Customs transactions. Where the processed product subject to exportation in advance is obtained from the equivalent goods subject to export tax, an amount of guarantee equivalent to the export tax shall be collected, which shall be returned after the realization of import corresponding to such goods.

Furthermore the raw materials, auxiliary materials, semi-finished products, finished products, unaltered goods, and packing materials required in obtaining of processed products may be imported in accordance with the provision of first Paragraph, but they may also be procured from the domestic market within the framework of arrangements to be made to that end. The goods procured from domestic market with the purpose of exportation under a Domestic Processing Authorization Certificate shall be treated as import goods with regard to the implementation of this Resolution, (providing the provisions of Value Added Tax Law No.3065 and Special Consumption Tax Law. No. 4760 are reserved).

For the goods procured from domestic market, however, the provisions of this Resolution concerning the auxiliary processed products and the foreign-exchange utilization rate shall not be applicable. In case of failure to realize the exportation of domestically procured goods, in the form of processed products within the term of the Certificate, the 2 (two)-fold fine stipulated in Article 22 of this Resolution shall not be applicable, either.

The domestic purchase of goods under a Domestic Processing Authorization Certificate must be realized within the term of the Certificate. However, provided that the realization of export of the processed product in accordance with the provisions of Communiqué to be published on the basis of this Resolution is evidenced, domestic purchase of goods may be effected under a Domestic Processing Authorization Certificate even if its term has expired, without requiring the collection of a guarantee. Furthermore, if the domestic purchase of goods is found not to be possible under Certificate, the term of Certificate may be extended as to allow the import of such goods.

Collection of Guarantee and Reduced Rate of Guarantee

Article 6- The tax to arise from importation to be made under the conditional immunity system shall be subject to collection of a guarantee in accordance with the principles stipulated in the Law No. 6183 Concerning the Procedure of Collection of Public Claims.

However, the relevant Customs Administration shall authorize the realization of the importation concerned if the following percentage amounts of tax are posted as a guarantee:

- a) For imports to be made by the firms holding a Class A approved person status certificate under a domestic processing authorizations certificate/domestic processing authorization, 1% of the tax arising from such imports.
- b) For imports to be made by the firms holding a Class B approved person status certificate under a domestic processing authorization certificate/domestic processing authorization, 5% of the tax arising from such imports.
- c) For imports to be made by the firms holding a Class C approved person status certificate under a domestic processing authorization certificate/domestic processing authorization, 10% of the tax arising from such imports.
- d) For imports to be made under a domestic processing authorization certificate/domestic processing authorization by the foreign trade share-capital companies and sectoral foreign trade companies not holding an approved person status certificate in an amount equal to the exports effected by them during the calender year prior to the application date of the certificate/authorization, 10% of the tax arising from such imports.
- e) For imports to be made under a domestic processing authorization certificate/domestic processing authorization by the manufacturer-exporters in an amount equal to the exports realized by them under a domestic processing authorization certificate issued within four years prior to the application date of the certificate/authorization and whose export commitment has been closed, or under a domestic processing authorization issued after the publication date of this Resolution, which amount to minimum 1 (one) million US Dollars in total in the case of industrial products and minimum 500 (five hundred) thousand US Dollars in total in the case of agricultural and processed agricultural products; 10% of the tax arising from such imports.
- f) For imports to be made under a domestic processing authorization certificate/domestic processing authorization by the exporters whose exports during the last three calender years exceed 5 (five) million US Dollars for each year or during the last five calender years exceed 1 (one) million US Dollars for each year, in an amount equal to the exports realized by them under a domestic processing authorization certificate issued within four years prior to the application date of the certificate/authorization and whose export commitment has been closed, or under a domestic processing authorization issued after the publication date of this Resolution, which amount to minimum 1 (one) million US Dollars in total in the case of industrial products and minimum 500 (five hundred) thousand US Dollars in total in the case of agricultural and processed agricultural products; 10% of the tax arising from such imports.

The procedures and principles concerning the calculation of reduced guarantee shall be set forth in a Communiqué to be published on the basis of this Resolution.

Following the submission of documents evidencing the exportation of the product domestically processed under the domestic processing authorization certificate in accordance with the provisions of the

Communiqué to be published on the basis of this Resolution, the relevant Customs Administration shall authorize the importation upon posting of a guarantee in an amount equal to 10% of the tax related to the goods used in obtaining said product.

Any public claims that might arise due the application of reduced guarantee (including the amounts to the public institutions and establishments effecting the domestic deliveries) shall be collected from the firms concerned in accordance with the provisions of Law No. 6183 Concerning the Procedure of Collection of Public Claims. Furthermore, any amounts due to the firms from said public entities shall be treated as a guarantee.

The rate of guarantee applicable to the imports to be made under the conditional tax immunity system may be increased by the Undersecretariat (General Directorate of Exports) up to 2 (two) times of the tax arising from such imports.

Processing of Products Outside Turkey's Customs Area or in the Free Zones

Article 7 — Authorization may be granted for temporary exportation, of the whole or a part of the processed product or unaltered goods covered under the Conditional Tax Immunity System to outside Turkey's Customs Area or to the Free Zones, for processing at a more advanced level in accordance with the provisions of External Processing Regime. Authorization shall be granted for re-importation of products so processed, against posting of a guarantee in an amount equal to the amount of tax required to be collected according to the provisions of External Processing Regime.

System of Tax Refund

Article 8 — The tax refund system involves the refunding of the tax (excluding the value added tax and special consumption tax related to the operating supplies) collected during importation when the processed product obtained by using the raw materials, auxiliary materials, semi-finished products, finished products, unaltered goods, packing materials and operating supplies entered into free movement under the domestic processing authorization certificate/domestic processing authorization is exported.

But, the importation of raw materials, auxiliary materials, semi-finished products, finished products and unaltered goods to be used in obtaining the processed products to be exported to the member countries of European Community along with an A.TR Movement Certificate may be authorized only if the Customs duty, and mass housing fund payment, if any, applicable to said commodities are collected and any other applicable taxes are covered by posting a guarantee.

Furthermore, the importation of raw materials, auxiliary materials, semi-finished products, finished products and unaltered goods to be used in obtaining the processed products to be exported to the member countries of European Community, to the countries that are party to the Pan-European Community, to the countries that are party to the Pan-European Cumulation of Origin, or to a country that have signed a Free Trade Agreement, along with applicable origin Evidencing Certificates, may be imported if the Customs duty and the mass housing fund, if any, applicable to such commodities are collected and any other applicable taxes are covered by posting a guarantee.

In order that the firms may take advantage of this system, they must obtain a Domestic Processing Authorization Certificate/Domestic Processing Authorization and the Customs Administration must enter a statement in the Customs Declaration related to the Certificate/Authorization during importation indicating that the goods involved fall under the scope of Tax Refund System. Besides this, the information pertaining to the Domestic Authorization Certificate shall be entered in the Customs Declaration, and a copy of the Certificate shall be attached to the Customs Declaration.

Except the importation of agricultural products whose country of origin is a member of the Community, the following goods may not take advantage of the Tax Refund System:

- a) Those whose importation is subject to quantity restrictions,
- b) Those that can take advantage of arrangements involving preferential tariffs or special conditional immunity measures,
- c) Those that are subject to import taxes in accordance with current agricultural policy or special arrangements concerning agricultural products, and

- d) Those processed products that are subject to monetary export refund at the time of acceptance of declaration of entry into free movement for imported goods.

Furthermore, in the following cases, the exports made may not take advantage of Tax Refund System:

- a) Provided that the provision of second Paragraph of this Article is reserved, the exportation of processed products manufactured using goods of third country origin along with an A. TR-Movement Certificate,
- b) Provided that the provision of third Paragraph of this Article is reserved, the exportation of processed products manufactured using goods of third country origin to the member countries of Community along with the Origin-evidencing Certificates,
- c) Provided that the provision of third Paragraph of this Article is reserved, the exportation of processed products manufactured using goods whose country of origin is not the signatory country of a Free Trade Agreement made with Turkey, to that signatory country along with the Origin-evidencing Certificates,
- d) Provided that the provision of third Paragraph of this Article is reserved, the Exportation of processed products included under the Cumulation and manufactured using goods whose country of origin is not a country which is party to the Pan-European Cumulation of origin, to the countries party to the Cumulation along with the Origin-evidencing Certificates, and
- e) The exportation of processed products manufactured using goods in free movement to the free zones (except the sales made from free zones to a country other than those specified in Subparagraphs (a) through (d) within 3 (three) months following the date of expiry of the Certificate/Authorization).

SECTION III

GENERAL PROVISIONS

Evaluation of Applications and Issuance of Certificate/Authorization

Article 9 — In order to take advantage of Domestic Processing Regime, the firms residing in Turkey's Customs Area (excluding the Free Zones) must obtain a Domestic Processing Certificate/Authorization in accordance with the provisions of Communiqué to be published pursuant to this Resolution. The information and documents to be submitted within this framework shall be deemed to be correct unless otherwise proven.

Applications made to obtain a Domestic Processing Authorization Certificate/Authorization shall be evaluated on the basis of following criteria:

- a) If should be possible to determine that the imports were used in the manufacture of processed products,
- b) The basic economic interests of manufacturers in Turkey's Customs Area (excluding the Free Zones) and the image of Turkish products should not be adversely affected,
- c) The processing operation should not only create added value and enhance capacity utilization but should also create conditions conducive to enhancing the competitive power and export potential, of processed product, and
- d) The performance of firms under the Domestic Processing Authorization Certificate/Authorization.

As a result of evaluation to be made according to the criteria stated in the second Paragraph above, the Customs Tariff Position based on at least 8 (eight) digits of import goods and processed product (primary and auxiliary processed products), its name, its quantity to be determined according to the rate of productivity, its value, the term of Certificate/Authorization, the foreign-exchange utilization rate and the side manufacturer, if any, shall be determined, and then either a Domestic Processing Authorization Certificate/Domestic Processing Authorization on project basis shall be furnished or the request shall be rejected.

By taking into consideration whether or not the goods concerned can be procured from domestic market from the standpoint of price, market availability and quality, restrictions with no time limit or of

periodic nature may be imposed on partial or total importation of goods under a Domestic Processing Certificate (excluding domestic purchases).

The cases which may not take advantage of Domestic Processing Regime shall be set forth in a Communiqué to be published pursuant to this Resolution.

The requirement related to foreign-exchange utilization rate shall not apply to transactions to be carried out under a Domestic Processing Authorization or under the Domestic Processing Authorization Certificates related to the imports with waiver to be defined in a Communiqué to be published pursuant to this Resolution.

The foreign-exchange utilization rate under a Domestic Processing Authorization Certificate shall be maximum 80%. Nevertheless, in the case of certificates involving auxiliary processed agricultural products, this rate may be determined as maximum 100%.

The import of unaltered goods may be authorized up to maximum 1% of export commitment made under a Domestic Processing Authorization Certificate/Domestic Processing Authorization. The value of operating supplies to be authorized for importation under a Certificate/Authorization may not exceed 2% of the export commitment. However, for Certificates/Authorizations involving export commitment related to natural stones or to precious minerals and stones, this rate may be determined as a figure up to 10 %.

Duration of Domestic Processing Authorization Certificates/Authorizations, and Extensions

Article 10 — The term of a Domestic Processing Authorization Certificate/Domestic Processing Authorization may be maximum 12 (twelve) months depending on the sector involved.

However, the term of Certificates/Authorizations issued for export of services and/or products of specific nature as to be defined in a Communiqué to be issued pursuant to this Resolution may be as long as the duration of the project.

The date of a Domestic Processing Authorization Certificate/Domestic Processing Authorization shall be taken as the beginning of the term of that Certificate/Authorization, while the end of the term shall be the last day of the month in which the term of Certificate/Authorization (including any extensions and additional periods granted pursuant to justified reasons, force major events and extraordinary circumstances) expires.

The term of a Domestic Authorization Certificate may be extended for a maximum period of 3 (three) months by taking the date on which the first importation under the Certificate was made as a basis.

Justified Reasons, Force Majeure Events and Extraordinary Circumstances

Article 11 – If the cases of justified reasons, force major events and extraordinary circumstances to be specified in the Communiqué to be published pursuant to this Resolution occur within the term of the Certificate/Authorization, then an extension may be granted to the Domestic Processing Authorization Certificate/Domestic Processing Authorization concerned. The length of extension to be granted to the Certificate/Authorization on the basis of justified reasons, force major events and extraordinary circumstances shall be determined according to the length of cases of justified reason, force major event or extraordinary circumstance.

The procedures and principles concerning the cases where, on account of force major events or extraordinary circumstances, an export commitment would not be required under a Domestic Processing Authorization Certificate/Domestic Processing Authorization or where a new importation would be authorized under such conditions as well as concerning the transfer of imported goods to a Certificate/Authorization issued in the name of another firm meeting the conditions to take advantage of Domestic Processing Regime shall be set forth in a Communiqué to be issued pursuant to this resolution.

The amount of guarantee to be collected under the Certificate/Authorization within the extension to be granted on account of a justified reason under Conditional Immunity System may be increased up to two (2) fold.

Revision of Certificate/Authorization

Article 12 – The Domestic Processing Authorization Certificate/Domestic Processing Authorization may be revised in accordance with the provisions of Communiqué to be issued pursuant to this Resolution, upon application of relevant firm together with submission of required information and documents.

Realization of Exports

Article 13 — The realization of exports shall mean the export of processed product whose exportation has been committed under a Domestic Processing Authorization/Certificate/Domestic Processing Authorization to outside the Customs Area or to the free zones, in accordance with the provisions of this Resolution and Customs Legislation.

However, provided that evidence is presented to indicate that the product exported to free zones within the term of the Certificate/Authorization in accordance with the conditional immunity system pursuant to the provision of first Paragraph above was sold from the free zones to another country within 3 (three) months following the expiry of the term of Certificate/Authorization or was imported into Turkey's Customs Area under another Certificate/Authorization, then the export commitment of relevant Certificate/Authorization shall be closed.

Furthermore, provided that evidence is presented to indicate that the product exported to the free zones within the term of Certificate/Authorization in accordance with the tax refund system pursuant to the provision of first Paragraph above was sold from the free zones to another country within 3 (three) months following the expiry of the term of Certificate/Authorization, then the export commitment of relevant Certificate/Authorization shall be closed.

The principles concerning the bringing of export payment into Turkey shall be subject to the provisions of Exchange Legislation. The export payments may be brought either as foreign exchange or in terms of goods. If, however, the export payments are brought in terms of goods, such goods shall be subject to the provisions of Foreign Trade Legislation.

Transaction to be Performed by Customs Administration

Article 14 – The transactions to be performed by the Customs Administration under a Domestic Processing Authorization Certificate/Domestic Processing Authorization shall be realized in accordance with the provisions of this Resolution, the Communiqués, Circulars and Instructions to be published pursuant to this Resolution as well as in accordance with the matters specified in the special conditions of the Certificate and the provisions of Export Regime and Customs Legislation.

Goods Subject to Measures of Supervision and Protection

Article 15 – In order that goods whose importation under a Domestic Processing Authorization Certificate/Domestic Processing Authorization is subject to the measures of supervision and protection may enter into free movement, the measures of supervision and protection in force on the date of importation must be followed.

In the contrary case, the processed product manufactured using said goods must either be exported to third countries or exterminated under the supervision of the Customs Administration.

But, if the goods used in the manufacture of processed product exported to the member countries of European Community under a Domestic Processing Authorization Certificate/Domestic Processing Authorization along with an A.TR-Movement Certificate are not subject to the measures of supervision and protection in such countries, then no measures of supervision and protection shall be applicable to such goods.

Payment of Levies

Article 16 – In the export of industrial products covered under the Conditional Immunity System to the member countries of European Community along with an A.Tr-Movement Certificate, the taxes pertaining to the raw materials, auxiliary materials, semi-finished products, finished products and unaltered goods of third country origin used in obtaining the processed product shall be paid provided that the favorable provisions of agreements made with the countries of origin are reserved. However, if the tax is higher than the tax applicable to same import goods in the Community, then the tax applicable in the Community shall be paid.

In the export of processed agricultural products included under the Conditional Immunity System to the member countries of European Community along with an A.TR-Movement Certificate, if any industrial product of third country origin was used in obtaining such products, then the tax pertaining to that product, while if any processed agricultural product was used, the tax corresponding to the share of industry in that product shall be paid.

Provided that the rule of origin defined in the agreement is met and an Origin-evidencing Certificate is issued in the exports of agricultural products made under the conditional immunity system to a member country of European Community except the export of live animals born and raised in Turkey and the products obtained through hunting and fishing activities, including the products, obtained from them, the tax pertaining to the raw materials, auxiliary materials, semi-finished products finished products and unaltered goods of third country origin which were used in the manufacture of such products shall be paid. If, however, the amount of said tax is higher than the amount of tax applicable in the Community for the same import goods, then the tax applicable in the Community shall be paid.

Provided that the rule of origin defined in the Agreement is met and an Origin-evidencing Certificate is issued, in exports made under the conditional immunity system to a country which has signed a Free Trade Agreement with Turkey, except the export of live animals born and raised in Turkey and the products obtained through hunting and fishing activities, including the products obtained from them, the tax pertaining to the raw materials, auxiliary materials, semi-finished products, finished products and unaltered goods used in the manufacture of processed products and whose origin does not belong to such country shall be paid, provided that the favorable provisions of applicable Agreement are reserved. But in cases where the processed product included under the Cumulation and obtained using the goods imported from the countries that are party to the Pan-European Cumulation of Origin along with the Origin-evidencing Certificates or supplier's declaration is reexported to a country party to the Cumulation along with Origin-evidencing Certificates or supplier's declaration, then the relevant Customs Administration shall authorize the exportation without requiring the payment of tax at the rate specified in the Export Regime.

If the products exported to free zones under the conditional immunity system are sold, within three (3) months following the expiry of duration of the certificate/authorization, from the free zones to the member countries of European Community along with an A.TR movement certificate, or to the member countries of European Community, to the countries party to Pan-European Cumulation or to a country which has signed a Free Trade Agreement with Turkey, then the payment of levies in accordance with the provisions of first, second, third and fourth paragraphs shall be required.

The taxes required to be paid pursuant to the provisions of this Article, including those pertaining to the sales realized from the free zones, shall be calculated on the basis of foreign exchange selling rate announced by the Central Bank of Turkey on the date of registration of Customs Declaration related to the exports made and the rate of Customs duty on that date as stipulated in the Import Regime, and the mass housing fund payment, if any, and shall be paid during exportation. However, in cases where a pre-exportation realized under the Certificate is followed by importation, said taxes shall be calculated on the basis of foreign exchange selling rate announced by the Central Bank of Turkey on the date of registration of Customs Declaration related to the pre-exportation and the rate of Customs duty on that date as stipulated in the Import Regime and the mass housing fund payment, if any, and shall be paid during the importation related to the pre-exportation. The levies so calculated shall be posted as a revenue for the budget.

The determination of goods subject to taxation and which were used in the manufacture of processed products shall be based on the firm's declaration. If anything contrary to said declaration is later established, any levies unpaid or paid in short shall be collected as of the date of payment specified in the sixth Paragraph, Collection of Public Claims in accordance with the provisions of Law No.6183 Concerning the Procedure of Collection of Public Claims.

All kinds of war vehicles, tools, equipment, machinery, devices and systems as well the spare parts used in their manufacture, maintenance and repair, which were produced using the goods of a third country origin and exported to the member countries of European Community, shall be exempt from the payment of levies stipulated in this Article.

Refunding of Taxes

Article 17 – Any taxes paid but should not have been paid under a Domestic Processing Authorization Certificate/Domestic Processing Authorization shall be refunded in cash in accordance with provisions of Customs Law no. 114458 and Value Added No. 3065 Tax Law upon application of the firm concerned.

Partial Return of Guarantees

Article 18 – In cases where the processed products obtained from the goods imported under the Conditional Immunity System are exported, the guarantees posted by the firms during importation shall be returned in proportion to the exports realized, upon application of the firm concerned within the term of validity of the Certificate/Authorization. In no case, however, the amount of guarantees returned may exceed 90% of the total amount of taxes required to be collected under the Certificate/Authorization.

Closing of Export Commitment

Article 19 – The firms holding a Domestic Processing Authorization Certificate/Domestic Processing Authorization must make an application in accordance with the provisions of the Communiqué to be published pursuant to this Resolution, for closing the export commitment of the Certificate/Authorization. Otherwise, the Certificate/Authorization shall be closed ex officio by application of relevant sanction.

The export commitment of a Domestic Processing Authorization Certificate/Domestic Processing Authorization shall be closed in accordance with the provisions of Domestic Processing Regime by taking also the requirements specified in the Certificate/Authorization, provided that the evidence is presented to show that the processed products obtained from the equivalent and/or import goods and the unaltered goods were exported.

The export commitment of the Domestic Processing Authorization Certificate/Domestic Processing Authorization shall be closed by the exportation realized by the firm holding the Certificate/Authorization and/or the intermediary exporting firm. The Undersecretariat, however, may introduce some restrictions regarding the employment of an intermediary exporter.

The goods imported under the Conditional/Immunity System may enter into free movement in accordance with the provisions of first Paragraph of Article 114 and Article 207 of Customs Law No. 4458, provided that relevant trade policy measures are exercised, the goods are seen and examined in their places by the Customs Administration, all other procedures concerning the importation of the goods involved, including the legislation concerning the technical regulatory arrangements and standardization in foreign trade, are completed and all the legally required taxes are collected within the term of validity of the Certificate/Authorization. In this case, the requirement regarding the realization of exportation corresponding to the goods that have entered into free movement shall not apply.

In cases where the goods imported or processed under a Domestic Processing Authorization Certificate/Domestic Processing Authorization were exterminated under the supervision of Customs Administration, left at the Customs or returned to their origin, then the realization of exportation corresponding to such goods shall not be required.

Where the auxiliary processed products obtained from the goods imported under a Domestic Processing Authorization Certificate/Domestic Processing Authorization were exterminated under the supervision of Customs Administrations pursuant to Customs legislation, left at the Customs, delivered to the Customs with the effect of exit or imported according to the provisions of Entry into Free Movement Regime, prior to the closing of export commitment of the Certificate/Authorization, then the realization of export of such products shall not be required. The procedures and principles concerning the import of

auxiliary processed products according to the Entry into Free Movement Regime shall be set forth in a Communiqué to be published pursuant to this Resolution.

The procedures and principles concerning the actions to be taken in cases where the processed products committed to be exported under a Domestic Processing Authorization Certificate are delivered in Turkey to the firms holding that Certificate or where the goods exported under the Certificate/Authorization are returned by their consignee shall be set forth in a Communiqué to be published pursuant to this Resolution.

Following the closing of export commitment, the guarantee or taxes collected under the Domestic Processing Authorization Certificate/Domestic Processing Authorization shall be returned to the firm concerned, in accordance with the procedures and principles to be set forth in a Communiqué to be published pursuant to this Resolution.

Failure to Realize Exportation

Article 20- Provided that the provisions of Article 15 of this Resolution are reserved, the taxes not collected for the goods which were imported under the Conditional Immunity System but whose exportation as processed products was not realized in accordance with the requirements of the Certificate/Authorization to outside the Turkish Customs Area or to the free zones within the term of validity of Certificate/Authorization (where they were not sold from the free zones to a another country within three (3) months following the expiry of the term of the Certificate/Authorization) shall be collected in accordance with the provisions of Article 22. The provisions of Article 22, however, shall not apply if the goods exported to the free zones as provided above were then imported to the Turkish Customs Area under another Certificate/Authorization within three (3) months following the expiry of the term of the previous Certificate/Authorization.

The tax collected from the goods imported under the refund system but whose exportation in the form as processed products was not realized to outside the Turkish Customs Area or to the free zones within the term of the Certificate/Authorization (if not sold from the free zones to another country within three (3) months following the expiry of the term of Certificate/Authorization) in accordance with the requirements set out in the Certificate/Authorization, shall not be returned.

Provided that the provision of the sixth Paragraph of Article 19 of this Resolution is reserved, if the exportation of auxiliary processed goods was not realized, a document evidencing the payment to relevant Tax Administration the tax to be calculated on the basis of the exchange rate and the rate of tax valid on the date of registration of the Customs Declaration related to the import goods concerned or the exchange rate and the rate of tax valid on the date of registration of Customs declaration related to the auxiliary processed products entered into free movement in the proportion of the exported part of the primary processed products shall be required. Otherwise, necessary action pursuant to the provisions of Article 22 shall be taken.

The tax not previously collected from the goods imported with the purpose of exportation as processed products to the member countries of European Community along with an A.Tr. – Movement Certificate or to the member countries of European Community, to the countries party to the Pan-European Origin Cumulation or to a country that has signed a Free Trade Agreement with Turkey along with an Origin-evidencing Certificate, under a Domestic Processing Authorization Certificate/Domestic Processing Authorization issued in accordance with the Refund System, shall be collected according to the provisions of Article 22.

Cancellation of Certificate

Article 21 – An Unutilized Domestic Processing Authorization Certificate shall be canceled by the Undersecretariat upon application of relevant firm.

A Domestic Processing Authorization Certificate shall be canceled by the Undersecretariat also in cases where it is established that the provisions of this Resolution as well as the Communiqués and Circulars to be issued pursuant to this Resolution have not been observed, that the information and documents submitted for the insurance or revision of the Domestic Processing Authorization Certificate/Domestic Processing Authorization and the transactions carried out under the Certificate/Authorization were not true or not reflecting the facts or that take Certificates/Authorizations were issued or alterations were made on the

Certificate/Authorization, followed by legal action to be started against those concerned. Furthermore, no guarantee with reduced amount shall not be applicable to the domestic Processing Authorization Certificates/Domestic Processing Authorizations of the firms concerned (including the firms named as side manufacturer on the Certificate of another firm) for a period of one year.

Necessary action shall be taken pursuant to the provisions of Article 22 with regard to any Certificate/Authorization so canceled.

Failure to Observe the Domestic Processing Measures

Article 22 – The following taxes shall be collected as of the date of importation, pursuant to the provisions of Customs Law No. 4458 and the Law No. 6183 Concerning the Procedure for Collection of Public Claims from those not complying with the Domestic Processing Measures in accordance with the principles and conditions specified in the Domestic Processing Regime and in the Certificate/Authorization. In addition for the goods imported but whose importation was not realized within the prescribed term, a fine amounting to two (2) - fold of the Customs duties involved shall be collected, in accordance with the provision of Article 238 of Law No. 4458,

- a) The tax not collected during the import of goods which were imported under the Conditional Immunity System and whose export to outside the Turkish Customs Area, or to the free zones on condition that they would be sold to another country within three (3) months following the expiry of the term of the Certificate/Authorization, within the term of the Certificate/Authorization, as well as the goods which were not brought to the Turkish Customs Area and which exported to the free zones within the term of the Certificate/Authorization on condition that they would be imported under another Certificate/Authorization within three (3) months following the expiry of the term of the Certificate/Authorization,
- b) In the case of any importation made in excess of the amount allowed under the Certificate/Authorization, the tax arising in connection with such excess amount,
- c) If the foreign-exchange utilization rate exceeds 80% (100% for the Certificates involving the commitment of auxiliary processed agricultural products) even if the goods imported under the Certificate were totally used in obtaining the exported processed products, the tax not collected in connection with the importation made in excess of that rate,
- d) If the CIF import price of operating supplies imported under the Certificate/Authorization is 2% (10% for the Certificates involving a commitment of exportation of natural stones and precious minerals and stones) more than the FOB export price realized, the tax not collected in connection with the importation made in excess of that rate,
- e) If the CIF import price of unaltered goods imported under the Certificate/Authorization is more than 1% of the FOB export price realized, the tax not collected in connection with the importation made in excess of that rate,
- f) The tax not collected in connection with the goods that were imported with the purpose of exportation as processed products to the member countries of European Community along with an A.Tr-Movement Certificate or to the member countries of European Community, to the countries party to the Pan-European Origin Cumulation or to a country that has signed a Free Trade Agreement with Turkey along with an Origin-evidencing Certificate, under a Domestic Processing Authorization Certificate/Domestic Processing Authorization issued in accordance with the Refund System, but whose exportation was not realized within the prescribed term,
- g) In the case of cancellation of the Domestic Processing Authorization Certificate/Domestic Processing Authorization, the tax, if any, not collected, under the Certificate/Authorization, and
- h) In the case of closing, ex officio, of the Domestic Processing Authorization Certificate/Domestic Processing Authorization, the tax, if any, not collected under the Certificate/Authorization.

If it is requested that the goods whose taxes and fines were paid in accordance with the provisions of first Paragraph be subjected to the Free Movement Entry Regime, the requirements concerning the exercising of trade policy measures and the completion of all other procedures including the legislation covering the technical arrangement and standardization contemplated for foreign trade must be fulfilled. Otherwise, such goods must be subjected to a process or use approved by the Customs, other than the Free Movement Entry Regime.

Misuse of Rights Granted in Connection with Domestic Processing Regime

Article 23 – If the results of examinations and investigations carried out by the supervising units of the Undersecretariat and other public institutions and organizations and by the Undersecretariat of Customs reveal that a Customs Declarations and the documents attached to it are false or fraudulently altered or not genuine or do not reflect the truth:

- a) That Customs Declaration may not be used in the closing of the export commitment of the Domestic Processing Authorization Certificate/Domestic Processing Authorization involved.
- b) If it was used or presented for use in the closing of the export commitment, than the tax related to the importation corresponding to the exportation made under that declaration shall be collected in accordance with the provisions of Article 22 of this Resolution, and legal action shall be started on those concerned.
- c) No reduced guarantee shall be granted for a period of one (1) year to the Domestic Processing Authorization Certificates/Domestic Processing Authorizations belonging to the firm and/or intermediary exporter holding the Certificate/Authorization registered under that Customs Declaration (including the firms shown as a side manufacturer in the Certificate of another firm). The intermediary exporter involved in this event shall be jointly and severally responsible, together with the firm holding the Certificate/Authorization, for the tax not collected during the importation of the goods used in obtaining the processed products registered in the Customs Declaration concerned.

However, provided that the fraudulent alteration on the Customs Declaration and on the documents attached to it is established not to be made, as based on a final Court decision, by the firm holding the Certificate/Authorization, and that such alteration did not provide any benefit to the firm within the frame of Domestic Processing Regime and that the exportation was actually made, then the provision of first Paragraph shall not apply.

Inspection

Article 24 — All public institutions and organizations and all banks shall effect the implementation of the Domestic Processing Measures in accordance with the principles and conditions specified in the Domestic Processing Regime and in the Certificate/Authorization. The Undersecretariat may carry out any and all inspections and devise all arrangements concerning the implementation of the measures specified in this Resolution, may request information and documents from the public institutions and organizations and the banks concerned, and may take all necessary measures.

SECTION IV

MISCELLANEOUS PROVISIONS

Implementation

Article 25 – The Domestic Processing Authorization Certificates/Domestic Processing Authorizations issued pursuant to the Resolution in force prior to the date of publication of this Resolution shall be governed by the provisions of their respective legislation. The favorable provisions of this Resolution shall be applicable to the Domestic Processing Authorization Certificates/Domestic Processing Authorizations whose export commitment has not been closed yet.

Authorization

Article 26 – Based on the provisions of this Resolution, the Undersecretariat shall be authorized to issue communiqués and circulars concerning the principles and procedures relevant to the Domestic Processing Regime, to grant authorizations, to give instructions, to examine and finalize any special and urging cases, and to settle any disputes to arise in the implementation by means of administrative procedures and actions.

All procedures to be performed pursuant to the provisions of this resolution may be effected in accordance with the provisions of the Communiqué to be published pursuant to this Resolution, using the computer and data processing techniques.

The Undersecretariat (Director of Foreign Trade) shall be further authorized to revoke the procedures related to the closing of export commitment of a Domestic Processing Authorization Certificate, its cancellation or its closing ex officio (provided that the collection of relevant sanction is found not to have been realized). Whereas, the Undersecretariat of Customs shall be authorized to revoke the procedures related to the closing of export commitment of a Domestic Processing Authorization, its cancellation or its closing ex officio (provided that the collection of relevant sanction is found not to have been realized).

The Undersecretariat shall be authorized to issue Communiqués, circulars and make arrangements with the purpose of facilitating the implementation of the provisions of Domestic Processing Regime with regard to the persons holding an Approved Person Status Certificate, in accordance with the provisions of Customs Legislation.

The duties and powers related to the revision of Domestic Processing Authorization Certificates and the closing of the commitment accounts may be exercised by the Undersecretariat, but the Undersecretariat may transfer them, partly or wholly, to the General Secretariats of other public institution and/or Exporters Associations through a Communiqué to be published pursuant to this Resolution.

Interim Article 1 – The export commitments of Domestic Processing Authorization Certificates issued prior to the date of publication of this Resolution (including the Certificates to which a sanction was applied but whose taxes were not collected) shall be closed provided that the taxes related to the goods procured from domestic market under said Certificates but whose exportation was not realized within the prescribed term are collected in accordance with the provisions of Law No. 6183 Concerning the Procedure of Collection of Public Claims.

Interim Article 2 – The export commitments of Domestic Processing Authorization Certificates/Export Incentives Certificates issued prior to the date of publication of this resolution and whose terms have expired may be closed with the Customs Declarations containing the trade name of a side manufacturer.

Furthermore, such Customs Declarations may be counted for export commitments provided that the delivery of the processed products concerned whose exportation was committed under a Domestic Processing Authorization Certificate/Export Incentives Certificate issued prior to the date of publication of this Resolution and whose term has expired, to another firm by the firm and/or side manufacturer holding the Certificate is evidenced by the report of a certified financial consultant and that their exportation by that firm and/or intermediary exporter is also established.

Interim Article 3 – The export commitments of Domestic Processing Authorization Certificates/Domestic Processing Authorizations issued prior to the date of publication of this Resolution and whose terms have expired, which belong to the firms that have exported the processed products obtained from the goods imported under Domestic Processing Regime and subject to the measures of supervision and protection to the member countries of European Community along with an A.TR- Movement Certificate but do not hold an import license and/or supervision certificate related to such goods (including those issued in the name of side manufacturer or intermediary exporter), shall be closed in accordance with the provisions of applicable legislation without requiring the import licenses and/or supervision certificates related to said goods, provided that all other conditions are fulfilled.

Interim Article 4 – The export commitment of Domestic Processing Authorization Certificates Belonging to the same firm, which were issued prior to the date of publication of this Resolution and whose terms expired latest on 31 December 2004, may be closed together provided that the terms of certificates overlap each other.

Interim Article 5 – An extension of 18 months starting from the date of publication of this Resolution shall be granted to the Domestic Processing Authorization Certificates/Domestic Processing Authorizations (including the Certificates/Authorizations to which a sanction was applied but whose taxes were not collected) issued prior to the date of publication of this resolution in the name of debtors whose debts have been restructured and put under a new redemption plan according to the financial restructuring agreements prepared within the frame of Law No. 4743 dated 30 January 2002 and the agreements made with the Savings Deposit Account Insurance Fund. An additional extension may also be granted in accordance with the provisions of the Communiqué to be published on the basis of this Resolution, by taking into consideration the export performance shown under the Certificate/Authorization concerned.

The export commitments of Domestic Processing Authorization Certificates/Domestic Processing Authorizations granted an extension as stated above may be closed by the exports to be made by the debtors or codebtor and joint guarantors named in the agreement made with the firm or group firms holding the Certificate/Authorization or with the Savings Deposit Account Insurance Fund.

Interim Article 6 – The favorable provisions of this Resolution shall apply to the Domestic Processing Authorization Certificates/Domestic Processing Authorizations whose export commitments have not been closed yet, disregarding the dates of application specified in the respective legislations of the Certificate/Authorization concerned and in this Resolution.

Interim Article 7 – The extensions granted to the Domestic Processing Authorization Certificates in accordance with the Resolution attached to Decree No. 2003/5548 dated 25 April 2003, published in Official Gazette No. 25107 dated 13 May 2003, with the purpose of realization of export commitment, shall be taken and accepted as the term of the Certificate concerned.

Interim Article 8 – In cases where the rate of 10 % (90 % foreign-exchange utilization rate) specified in Article 9 of this Resolution is exceeded for the raw materials and semi-finished and finished products which could not be procured domestically under the Domestic Processing Authorization Certificates issued prior to the date of publication of this Resolution, the export commitment may be closed provided that the imported goods are established to have been exported as processed products and it is approved by the Undersecretariat.

Interim Article 9 – The export commitments of Domestic Processing Authorization Certificates related to special invoices (including the Certificates to which a sanction was applied but whose taxes were not collected), which were registered prior to the date of publication of this Resolution, by the Customs Administrations not authorized to issue special invoices, but could not be counted for export commitment because no confirmation could be obtained from said Administrations, shall be closed with exports to be made within six (6) months following the date of publication of this Resolution. Any exports to be realized between the end of the term of the Certificate and the date of publication of this Resolution shall also be counted for the export commitment of the Certificate involved.

Interim Article 10 – Provided that evidence is presented to show that the processed products exported to a country that has signed a Free Trade Agreement with Turkey, along with Origin-evidencing Certificates, and under a Domestic Processing Authorization Certificate issued prior to the date of publication of this Resolution and whose term has expired were subsequently exported to another country without taking advantage of the Preferential Tariff application, then the payment of levies applicable to the raw materials, semi-finished products, finished products and unaltered goods used in obtaining such processed products shall not be required.

Interim Article 11 – Provided that the Customs Administration concerned establishes that the goods imported under Export Incentives Certificates having Code Numbers 1 and 2 and whose commitment accounts have not been closed were exported as processed products within the term of the Certificate and this information is communicated to the General Secretariat of relevant Exporters Association, the export commitments of said Certificates shall be closed ex officio by the General Secretariat of the Exporters Association, without application of any sanction to the imported goods corresponding to that exportation.

If the Customs Administration concerned established that the goods imported under the Export Incentives Certificates having Code Number 3 and whose commitment accounts have not been closed were exported as processed products within the term of the Certificate, then the export commitments of said Certificates shall be closed ex officio by that Customs Administration, without application of any sanction to the imported goods corresponding to that exportation.

Supplementary Article 1 – The “Guarantee Insurance” account kept at Türkiye İhracat Kredi Bankası (Türk Eximbank) shall be liquidated by relevant Customs Administrations by transferring the amount available in that account to the claims approved by the Undersecretariat of Customs, in order to cover the State loss claimed by making a reference to said account. Furthermore, following this liquidation process, the relevant Customs Administrations shall continue prosecution against relevant firms in accordance with the provisions of Law No. 6183 dated 21 July 1953 in order to cover the State loss involved, without having any applications directed to Türkiye İhracat Kredi Bankası A.Ş. for collecting of said public claims by making a reference to said account.

Provisions Rescinded

Article 27 – The Resolution attached to Decree No. 99/13819 dated 23 December 1999 is hereby rescinded together with its appendices and amendments.

Entry into Force

Article 28 – This Resolution shall enter into force on the date of its publication.

Enforcement

Article 29 – This Resolution shall be enforced by the Minister to whom the Undersecretariat of Foreign Trade reports.

DAHİLDE İŞLEME REJİMİ KARARI

BİRİNCİ BÖLÜM

27/01/2005 Tarih ve 25709 Sayılı Resmi Gazete

AMAÇ, KAPSAM VE TANIMLAR

Amaç

Madde 1- Bu Karar; Dünya piyasa fiyatlarından hammadde temin etmek suretiyle ihracatı artırmak, ihraç ürünlerine uluslararası piyasalarda rekabet gücü kazandırmak, ihraç pazarlarını geliştirmek ve ihraç ürünlerini çeşitlendirmek amacıyla hazırlanmıştır.

Kapsam

Madde 2- Bu Karar; elde edilmesinde ithal girdi kullanılan işlem görmüş ürünün ihracı ile ihracat sayılan satış ve teslimlerin belirlenmesi, yönlendirilmesi ve geliştirilmesine ilişkin tedbirlerin düzenlenmesi ve yürütülmesini kapsar.

Tanımlar

Madde 3- Bu Kararda geçen;

Müsteşarlık: Dış Ticaret Müsteşarlığını,

Topluluk: Avrupa Topluluğunu,

Üçüncü Ülke: Avrupa Topluluğuna üye ülkeler dışındaki ülkeleri,

Serbest Bölgeler: Türkiye Gümrük Bölgesi üzerindeki serbest bölgeleri,

Serbest Dolaşımda Bulunan Eşya: 4458 sayılı Gümrük Kanununun 18 inci maddesi hükmüne göre tümüyle Türkiye Gümrük Bölgesinde elde edilen ve bünyesinde Türkiye Gümrük Bölgesi dışındaki ülke veya topraklardan ithal edilen girdileri bulundurmayan veya şartlı muafiyet düzenlemelerine tabi tutulan eşyadan elde edilen ve tabi olduğu rejim hükümleri uyarınca özel ekonomik önem taşımadığı tespit edilen veya Türkiye Gümrük Bölgesi dışındaki ülke veya topraklardan serbest dolaşıma giriş rejimine tabi tutularak ithal edilen veya Türkiye Gümrük Bölgesinde yukarıda belirtilen eşyadan ayrı ayrı veya birlikte elde edilen veya üretilen eşyayı,

İşleme Faaliyeti: Eşyanın montajı, kurulması ve diğer eşya ile birleştirilmesi dahil olmak üzere işçiliğe tabi tutulması, işlenmesi, yenilenmesi, düzenli hale getirilmesi dahil olmak üzere tamir edilmesi ile işleme sırasında tamamen veya kısmen tüketilse dahi işlem görmüş ürünün bünyesinde bulunmayan ancak, bu ürünün üretilmesini sağlayan veya kolaylaştıran önceden belirlenmiş bazı eşyanın kullanılmasını,

PUBLIC RECORD

Elde Etmek: Eşyanın işleme faaliyetine tabi tutulmasını,

İşlem Görmüş Ürün: İşleme faaliyetleri sonucunda elde edilen asıl veya ikincil işlem görmüş ürünü,

Asıl İşlem Görmüş Ürün: Dahilde işleme rejimi kapsamında elde edilmesi amaçlanan ürünü,

İkincil İşlem Görmüş Ürün: İşleme faaliyetleri sonucunda elde edilen asıl işlem görmüş ürün dışındaki ürünü,

İthal Eşyası: İşlem görmüş ürünün elde edilmesinde kullanılan hammadde, yardımcı madde, yarı mamul, mamul ile işlem görmüş ürünün bünyesinde yer almamakla birlikte çalışmasını sağlayan madde (yakıt ve yağ dahil) ya da hizmetin devamını sağlayan madde (yedek parça, vb.), ambalaj ve işletme malzemesini,

İşletme Malzemesi: İhracı taahhüt edilen işlem görmüş ürünün elde edilmesinde kullanılan ancak ürünün bünyesinde yer almayan ve sabit tesislerin çalışabilir durumda olmasını temin eden (enerji ve yakıt hariç), yatırım malı makine ve teçhizat niteliğinde olmayan malzemeyi,

Değişmemiş Eşya: İşlem görmemiş ithal eşyasını,

Tarım Ürünleri: İthalat Rejimi Kararının ilgili listelerinde yer alan ve toprakta veya yeni üretim teknikleri ve teknolojileri kullanarak topraksız ortamda yetiştirilen bitkisel ürünler, hayvancılık, balıkçılık ile diğer su ürünleri ve bunların ilk işleme tabi tutulmuş şekillerini,

İşlenmiş Tarım Ürünleri: İthalat Rejimi Kararının ilgili listesinde yer alan ve bünyesinde temel tarım ürünlerini (hububat, şeker ve süt) bulunduran ürünleri,

Sanayi Ürünleri: Tarım ürünleri ve işlenmiş tarım ürünleri dışındaki tüm ürünleri,

Fire: İşleme faaliyetleri sırasında özellikle kuruma, buharlaşma, sızma veya gaz kaçağı şeklinde yitirilen ve imha olan kısım ile ekonomik değeri olmayan atıkları,

Verimlilik Oranı: Belirli miktardaki eşyanın işlenmesi sonucunda elde edilen işlem görmüş ürünün miktarı veya yüzde oranını,

Döviz Kullanım Oranı: Dahilde işleme izin belgesi/dahilde işleme izni kapsamındaki CIF ithal (yurt içi alımlar hariç) tutarının FOB ihrac tutarına olan yüzde oranını,

Önceden İthalat: İşlem görmüş ürünün ihracından önce bu ürünün elde edilmesinde kullanılacak eşyanın ithalini,

Önceden İhracat: İthal eşyasının şartlı muafiyet sisteminde ithal edilmesinden önce, eşdeğer eşyadan elde edilmiş işlem görmüş ürünün ihrac edilmesini,

Eşdeğer Eşya: İşlem görmüş ürünün elde edilmesinde ithal eşyasının yerine kullanılan ve ithal eşyası ile asgari 8 (sekiz)'li bazda gümrük tarife istatistik pozisyonu, ticari kalite ve teknik özellikleri itibarıyla aynı kalite ve nitelikleri taşıyan serbest dolaşımda bulunan eşyayı,

Ticaret Politikası Önlemleri: İthalat Rejimi Kararının 4 üncü maddesinde belirtilen mevzuat çerçevesinde alınan önlemleri,

PUBLIC RECORD

Vergi: Eşyanın ithali ve ihracında tahsili öngörülen vergi, resim, harç, fon ve benzeri bütün mali yükleri,

Eşyanın Gümrükçe Onaylanmış Bir İşlem veya Kullanıma Tabi Tutulması: Eşyanın bir gümrük rejimine tabi tutulması, Türkiye Gümrük Bölgesi dışına yeniden ihracı veya serbest bölgelere ihracı, imhası veya gümrüğe terk edilmesini,

Gümrük Rejimi: Serbest dolaşıma giriş rejimi, transit rejimi, gümrük antrepo rejimi, dahilde işleme rejimi, gümrük kontrolü altında işleme rejimi, geçici ithalat rejimi, hariçte işleme rejimi veya ihracat rejimini,

Dahilde İşleme İzin Belgesi: İhracat ile ihracat sayılan satış ve teslimlerde gümrük muafiyetli ithalat ve/veya yurt içi alımlara imkan sağlayan Müsteşarlıkça düzenlenen belgeyi,

Belge: Dahilde işleme izin belgesini,

Belge Süresi: Dahilde işleme izin belgesi üzerinde kayıtlı bulunan ve belge kapsamında ithalat ve/veya ihracat işlemlerinin gerçekleştirileceği ve tüm istisnaların uygulanacağı dönemi,

Belge Süresi Sonu: Belge süresi bitiminin rastladığı ayın son gününü,

Dahilde İşleme İzni: İhraç amacıyla gümrük muafiyetli ithalata imkan sağlayan ve gümrük idaresince verilen izni,

İzin: Dahilde işleme iznini,

İzin Süresi: Dahilde işleme izni üzerinde kayıtlı bulunan ve izin kapsamında ithalat ve/veya ihracat işlemlerinin gerçekleştirilerek tüm istisnaların uygulanacağı dönemi,

İzin Süresi Sonu: İzin süresi bitiminin rastladığı ayın son gününü,

Onaylanmış Kişi Statü Belgesi: Gümrük mevzuatı çerçevesinde Gümrük Müsteşarlığınca verilen belgeyi,

A.TR Dolaşım Belgesi: Türkiye veya Toplulukta serbest dolaşımda bulunan eşyanın Katma Protokolde öngörülen tercihli rejimden yararlanabilmesini sağlamak üzere, ihracatçı ülke yetkili kuruluşlarınca düzenlenip gümrük idaresince vize edilen belgeyi,

Menşe İspat Belgeleri: Türkiye'nin taraf olduğu anlaşmalar çerçevesinde tercihli rejimden yararlanmak üzere ihracatçı ülke yetkili kuruluşlarınca düzenlenip gümrük idaresince vize edilen ve malın menşeyini belirleyen EUR.1 dolaşım sertifikası veya fatura beyanını,

Pan-Avrupa Menşe Kümülasyonu: Avrupa'da, aynı menşe kurallarını havi Serbest Ticaret Anlaşmaları ile birbirlerine bağlanmış ülkeler arasında oluşturulan ve taraf ülkeler menşeli eşya kullanılarak elde edilen işlem görmüş ürünün Kümülasyona tabi bir diğer ülkeye tercihli rejim kapsamında ithaline imkan sağlayan ticaret sistemini,

Tedarikçi Beyanı: A.TR dolaşım belgesi veya EUR.1 dolaşım sertifikası ile birlikte kullanılan ve Türkiye ile Topluluk arasında ticarete konu Pan-Avrupa Menşe Kümülasyonu kapsamı eşyanın menşeyini gösteren belgeyi,

PUBLIC RECORD

İmalatçı-İhracatçı: İşlem görmüş ürünün tamamını veya bir kısmını üreten ve bu ürünün ihracatını kendisi ve/veya aracı ihracatçı vasıtasıyla gerçekleştiren dahilde işleme izin belgesi/dahilde işleme izni sahibi firmayı,

İhracatçı: Yan sanayici firmaya ithal eşyasından işlem görmüş ürün ürettiren ve bu ürünün ihracatını kendisi ve/veya aracı ihracatçı vasıtasıyla gerçekleştiren imalatçı olmayan dahilde işleme izin belgesi/dahilde işleme izni sahibi firmayı,

Yan Sanayici: Dahilde işleme izin belgesinde/dahilde işleme izninde taahhüt edilen ihracat ürününün tamamını ya da bir kısmını üreten, belgede/izinde kayıtlı ancak belge/izin sahibi olmayan firmayı,

Aracı İhracatçı: Dahilde işleme izin belgesinde/dahilde işleme izninde taahhüt edilen ihracatı, belge/izin sahibi firmadan tedarik ettiği şekilde gerçekleştiren belge/izin sahibi olmayan firmayı,

ifade eder.

DAHİLDE İŞLEME TEDBİRLERİ

Dahilde İşleme Tedbirleri

Madde 4 - Bu tedbirler:

- Şartlı Muafiyet Sistemi,
- Geri Ödeme Sistemi'nden

oluşur.

Şartlı Muafiyet Sistemi

Madde 5- Şartlı muafiyet sistemi; dahilde işleme izin belgesi/dahilde işleme izni kapsamında ihracı taahhüt edilen işlem görmüş ürünün elde edilmesinde kullanılan ve serbest dolaşımda bulunmayan hammadde, yardımcı madde, yarı mamul, mamul ile değişmemiş eşya, ambalaj ve işletme malzemesinin, Türkiye Gümrük Bölgesinde (serbest bölgeler hariç) yerleşik firmalarca, ticaret politikası önlemlerine tabi tutulmaksızın, vergisi teminata bağlanmak suretiyle ithal edilmesi ve ihracat taahhüdünün gerçekleşmesini müteakip, alınan teminatın iade edilmesidir. Bu kapsamda yapılacak işletme malzemesi ithalatında, katma değer vergisi ve özel tüketim vergisi tahsil edilir ve ticaret politikası önlemleri uygulanır.

Dahilde işleme izin belgesi kapsamında işlem görmüş ürünün elde edilmesi için ithal eşyasının yerine eşdeğer eşya olarak, asgari 8 (sekiz)'li bazda gümrük tarife istatistik pozisyonu, ticari kalite ve teknik özellikleri itibarıyla aynı kalite ve nitelikleri taşıyan serbest dolaşımdaki eşya kullanılabilir. Bu sistem çerçevesinde, dahilde işleme izin belgesi kapsamında önceden ihracat işleminden sonra ithalat yapılabileceği gibi, ithal eşyası ile serbest dolaşımdaki eşya birlikte de kullanılabilir. Müsteşarlıkça (İhracat Genel Müdürlüğü), eşdeğer eşyanın kullanımına süresiz veya dönemsel olarak yasaklama veya kısıtlama getirilebilir. İthal eşyasının ithalinden önce eşdeğer eşyadan elde edilen işlem görmüş ürünün ihracı halinde, buna tekabül eden ithalat belge süresi sonuna kadar yapılabilir. Bu kapsamda yapılacak ithalat esnasında katma değer vergisi dahil tüm vergiler (4760 sayılı Özel Tüketim Vergisi Kanunu hükümleri saklı kalmak kaydıyla) teminata bağlanır ve ticaret politikası önlemleri uygulanmaz. Önceden ihracat işleminden sonra buna tekabül eden oranda ithal edilen eşya, belge sahibi firma tarafından serbestçe kullanılabilir.

PUBLIC RECORD

İşlem görmüş ürünün eşdeğer eşyadan elde edildiği durumlarda, gümrük işlemlerinde ithal eşyası eşdeğer eşya, eşdeğer eşya ise ithal eşyası olarak değerlendirilir. Önceden ihracat konusu işlem görmüş ürünün ihracat vergisine tabi eşdeğer eşyadan elde edilmesi halinde ise, bu eşyaya tekabül eden ithalatın yapılmasından sonra iade edilmek üzere ihracat vergisi kadar teminat alınır.

Ayrıca, dahilde işleme izin belgesi kapsamında ihracı taahhüt edilen işlem görmüş ürünün elde edilmesinde kullanılan hammadde, yardımcı madde, yarı mamul, mamul, değişmemiş eşya ve ambalaj malzemeleri birinci fıkra hükmüne göre ithal edilebileceği gibi, bu konuda yapılan düzenlemeler çerçevesinde yurt içinden de temin edilebilir. Dahilde işleme izin belgesi kapsamında ihraç edilmek üzere yurt içinden temin edilen eşya, bu Kararın uygulanması bakımından (3065 sayılı Katma Değer Vergisi Kanunu ve 4760 sayılı Özel Tüketim Vergisi Kanunu hükümleri saklı kalmak kaydıyla) ithal eşyası gibi değerlendirilir.

Ancak, yurt içinden temin edilen eşya için, bu Kararın ikincil işlem görmüş ürüne ve döviz kullanım oranına ilişkin hükümleri uygulanmaz. Ayrıca, yurt içinden temin edilen eşyanın belge süresi içerisinde işlem görmüş ürün olarak ihracının gerçekleştirilmemesi halinde, bu Kararın 22 nci maddesinde belirtilen 2 (iki) kat para cezası uygulanmaz.

Dahilde işleme izin belgesi kapsamındaki yurt içi alımın, belge süresi içerisinde gerçekleştirilmesi gerekir. Ancak, bu Karara istinaden yayımlanacak tebliğ hükümleri çerçevesinde işlem görmüş ürünün ihracının gerçekleştiğinin belgelenmesi kaydıyla, süresi sona erse dahi dahilde işleme izin belgesi kapsamında yurt içi alım yapılabilir ve bu alımlarda teminat aranmayabilir. Ayrıca, belge kapsamında yurt içi alımın yapılmasına imkan bulunmaması halinde, belgeye ek süre verilmek suretiyle ithalat yapılmasına izin verilebilir.

Teminat ve İndirimli Teminat Uygulaması

Madde 6- Şartlı muafiyet sistemi kapsamında yapılacak ithalattan doğan vergi, 6183 sayılı Amme Alacaklarının Tahsil Usulü Hakkında Kanunda belirtilen esaslar çerçevesinde teminata tabidir.

Ancak;

a) A sınıfı onaylanmış kişi statü belgesi sahibi firmaların dahilde işleme izin belgesi/dahilde işleme izni kapsamında yapacakları ithalatla, bu ithalattan doğan verginin %1'inin,

b) B sınıfı onaylanmış kişi statü belgesi sahibi firmaların dahilde işleme izin belgesi/dahilde işleme izni kapsamında yapacakları ithalatla, bu ithalattan doğan verginin %5'inin,

c) C sınıfı onaylanmış kişi statü belgesi sahibi firmaların dahilde işleme izin belgesi/dahilde işleme izni kapsamında yapacakları ithalatla, bu ithalattan doğan verginin %10'unun,

d) Onaylanmış kişi statü belgesi sahibi olmayan dış ticaret sermaye şirketleri ile sektörel dış ticaret şirketlerinin belge/izin müracaat tarihinden önceki takvim yılı içerisinde gerçekleştirdikleri ihracat kadar dahilde işleme izin belgesi/dahilde işleme izni kapsamında yapacakları ithalatla, bu ithalattan doğan verginin %10'unun,

e) İmalatçı-ihracatçıların, belge/izin müracaat tarihinden önceki dört yıl içerisinde düzenlenmiş, ihracat taahhüdü kapatılmış, dahilde işleme izin belgeleri ve bu Kararın yayımı tarihinden sonra düzenlenen dahilde işleme izinleri kapsamında sanayi ürünleri için toplam 1 (bir) Milyon ABD Dolarından, tarım ve işlenmiş tarım ürünleri için toplam 500 (beşyüz) Bin ABD Dolarından az olmamak kaydıyla gerçekleştirdikleri ihracat kadar dahilde işleme izin belgesi/dahilde işleme izni kapsamında yapacakları ithalatla, bu ithalattan doğan verginin %10'unun,

f) Son üç takvim yılı itibarıyla ihracatı her bir yıl için 5 (beş) Milyon ABD Dolarını geçen veya son beş takvim yılı itibarıyla ihracatı her bir yıl için 1 (bir) Milyon ABD Dolarını geçen ihracatçıların, belge/izin müracaat tarihinden önce dört yıl içerisinde düzenlenmiş, ihracat taahhüdü kapatılmış, dahilde işleme izin belgeleri ve bu Kararın yayımı tarihinden sonra düzenlenen dahilde işleme izinleri kapsamında sanayi ürünleri için toplam 1 (bir) Milyon ABD Dolarından, tarım ve işlenmiş tarım ürünleri için toplam 500 (beşyüz) Bin ABD Dolarından az olmamak kaydıyla gerçekleştirdikleri ihracat kadar dahilde işleme izin belgesi/dahilde işleme izni kapsamında yapacakları ithalatla, bu ithalattan doğan verginin %10'unun,

teminat olarak yatırılması kaydıyla, gümrük idaresince ithalatın gerçekleştirilmesine izin verilir.

İndirimli teminat uygulamasının hesaplanmasına ilişkin usul ve esaslar, bu Karara istinaden yayımlanacak tebliğ ile belirlenir.

Bu Karara istinaden yayımlanacak tebliğ hükümleri çerçevesinde dahilde işleme izin belgesi kapsamında işlem görmüş ürünün ihracının belgelenmesini müteakip bu ürünün elde edilmesinde kullanılan eşyaya ilişkin verginin %10'unun teminat olarak yatırılması kaydıyla, ithalatın gerçekleştirilmesine gümrük idaresince izin verilir.

İndirimli teminat uygulamasından doğabilecek amme alacağı (yurt içi teslimleri yapan kamu kurum ve kuruluşlarının alacakları dahil) ilgili firmalardan 6183 sayılı Amme Alacaklarının Tahsil Usulü Hakkında Kanun hükümleri çerçevesinde tahsil edilir. Ayrıca, bu firmaların kamudan olan alacakları da teminat hükmündedir.

Şartlı muafiyet sistemi kapsamında yapılan ithalatla uygulanan teminat oranı Müsteşarlıkça (İhracat Genel Müdürlüğü), bu ithalattan doğan vergi tutarının 2 (iki) katına kadar artırılabilir.

Türkiye Gümrük Bölgesi Dışında veya Serbest Bölgelerde Yapılacak İşleme Faaliyeti

Madde 7- Şartlı muafiyet sistemi kapsamında, işlem görmüş ürünün veya değişmemiş eşyanın tamamı ya da bir kısmı, hariçte işleme rejimi hükümleri çerçevesinde daha ileri düzeyde işlenmek üzere Türkiye Gümrük Bölgesi dışına veya serbest bölgelere geçici olarak ihraç edilebilir. Bu kapsamda işlem görmüş ürünün ithaline, hariçte işleme rejimi hükümlerine göre tahsili gereken vergi kadar teminat alınarak izin verilir.

Geri Ödeme Sistemi

Madde 8- Geri ödeme sistemi; dahilde işleme izin belgesi/dahilde işleme izni kapsamında serbest dolaşıma giren hammadde, yardımcı madde, yarı mamul, mamul ile değişmemiş eşya, ambalaj ve işletme malzemesinden elde edilen işlem görmüş ürünün ihracı halinde, ithalat esnasında alınan verginin (işletme malzemesine ilişkin katma değer vergisi ve özel tüketim vergisi hariç) geri ödenmesidir.

Ancak, A.TR dolaşım belgesi eşliğinde Avrupa Topluluğuna üye ülkelere ihraç edilecek işlem görmüş ürünün elde edilmesinde kullanılacak hammadde, yardımcı madde, yarı mamul, mamul ile değişmemiş eşyanın gümrük vergisi ile varsa toplu konut fonunun tahsil edilmesi ve diğer vergilerin teminata bağlanması suretiyle ithalatına izin verilebilir.

Ayrıca, menşe ispat belgeleri eşliğinde Avrupa Topluluğuna üye ülkelere, Pan-Avrupa Menşe Kümülasyonuna taraf ülkelere veya Serbest Ticaret Anlaşması imzalanmış bir ülkeye ihraç edilecek işlem görmüş ürünün elde edilmesinde kullanılacak hammadde, yardımcı madde, yarı mamul, mamul ile değişmemiş eşyanın gümrük vergisi ile varsa toplu konut fonunun tahsil edilmesi ve diğer vergilerin teminata bağlanması suretiyle ithalatına izin verilebilir.

PUBLIC RECORD

Geri ödeme sisteminden yararlanmak için, dahilde işleme izin belgesi/dahilde işleme izni alınması ve eşyanın geri ödeme sistemi kapsamında olduğunun gümrük idaresince ithalat esnasında belgeye/izne ilişkin gümrük beyannamesine kaydedilmesi zorunludur. Ayrıca, dahilde işleme izin belgesi ile ilgili bilgiler gümrük beyannamesi üzerinde belirtilir ve belgenin bir örneği gümrük beyannamesine eklenir.

Geri ödeme sisteminden, Avrupa Topluluğu'na üye ülkeler menşeli tarım ürünleri ithalatı hariç olmak üzere;

- a) İthal miktar kısıtlamalarına tabi olan,
 - b) Tercihli tarife ya da özel bir şartlı muafiyet düzenlemesinden kotalar dahilinde yararlanabilen,
 - c) Tarım politikası veya işlenmiş tarım ürünleriyle ilgili özel düzenlemeler çerçevesinde ithalat vergilerine tabi olan,
 - d) İthal eşyasının serbest dolaşıma giriş beyanının kabulü esnasında, işlem görmüş ürünlerden parasal ihracat iadesine tabi olan,
- eşya yararlandırılmaz.

Ayrıca;

- a) Bu maddenin ikinci fıkrası hükmü saklı kalmak kaydıyla, üçüncü ülke menşeli eşya kullanılarak elde edilen işlem görmüş ürünün A.TR dolaşım belgesi eşliğinde Avrupa Topluluğuna üye ülkelere,
- b) Bu maddenin üçüncü fıkrası hükmü saklı kalmak kaydıyla, üçüncü ülke menşeli eşyadan elde edilen işlem görmüş ürünün menşe ispat belgeleri eşliğinde Avrupa Topluluğuna üye ülkelere,
- c) Bu maddenin üçüncü fıkrası hükmü saklı kalmak kaydıyla, Serbest Ticaret Anlaşması imzalanmış ülke menşeli olmayan eşyadan elde edilen işlem görmüş ürünün menşe ispat belgeleri eşliğinde anlaşma imzalanmış ülkeye,
- d) Bu maddenin üçüncü fıkrası hükmü saklı kalmak kaydıyla, Pan-Avrupa Menşe Kümülasyonuna taraf ülkeler menşeli olmayan eşyadan elde edilen Kümülasyona dahil işlem görmüş ürünün menşe ispat belgeleri eşliğinde Kümülasyona taraf ülkelere,
- e) Serbest dolaşımda bulunan eşyadan üretilen işlem görmüş ürünün serbest bölgelere (serbest bölgelerden belge/izin süresi bitiminden itibaren 3 (üç) ay içerisinde (a) ila (d) bentlerinde belirtilen ülkeler haricinde bir ülkeye yapılan satışlar hariç),

ihrac edilmesi halinde bu ihracat, geri ödeme sisteminden yararlandırılmaz.

ÜÇÜNCÜ BÖLÜM

GENEL HÜKÜMLER

Müracaatların Değerlendirilmesi ve Belge/İzin Düzenlenmesi

PUBLIC RECORD

Madde 9- Türkiye Gümrük Bölgesinde (serbest bölgeler hariç) yerleşik firmaların, dahilde işleme rejiminden yararlanmak için bu Karara istinaden yayımlanacak tebliğ hükümleri çerçevesinde dahilde işleme izin belgesi/dahilde işleme izni almaları gerekir. Bu çerçevede ibraz edilen bilgi ve belgeler, aksi sabit oluncaya kadar doğru kabul edilir.

Dahilde işleme izin belgesine/dahilde işleme iznine ilişkin müracaat;

a) İthal eşyasının işlem görmüş ürünün elde edilmesinde kullanıldığının tespitinin mümkün olması,

b) Türkiye Gümrük Bölgesindeki (serbest bölgeler hariç) üreticilerin temel ekonomik çıkarları ile Türk malı imajının olumsuz etkilenmemesi,

c) İşleme faaliyetinin, katma değer yaratan ve kapasite kullanımını artıran bir faaliyet olması yanında, işlem görmüş ürünün rekabet gücünü ve ihrac potansiyelini artıran koşullar yaratıyor olması,

d) Firmaların dahilde işleme izin belgeleri/dahilde işleme izinleri kapsamındaki performansları,

kriterleri çerçevesinde değerlendirilir.

İkinci fıkrada belirtilen kriterlere göre yapılacak değerlendirme sonucunda; ithal eşyası ve işlem görmüş ürünün (asıl ve ikincil işlem görmüş ürünler) asgari 8 (sekiz)'li bazda gümrük tarife istatistik pozisyonu, adı, verimlilik oranına göre belirlenen miktarı, değeri, belge/izin süresi, döviz kullanım oranı ve varsa yan sanayici belirlenerek, proje bazında dahilde işleme izin belgesi/dahilde işleme izni düzenlenir veya talep reddedilir.

Eşyanın fiyat, bulunabilirlik ve kalite yönünden yurt içinden temin edilmesinin mümkün olup olmaması dikkate alınarak, dahilde işleme izin belgesi kapsamındaki eşyanın kısmen veya tamamen ithalatına (yurt içi alımlar hariç) süresiz veya dönemsel olarak kısıtlama getirilebilir.

Dahilde işleme rejiminden yararlandırılmayacak haller, bu Karara istinaden yayımlanacak tebliğ ile belirlenir.

Dahilde işleme izni ve bu Karara istinaden yayımlanacak tebliğ ile belirlenen bedelsiz ithalata ilişkin dahilde işleme izin belgeleri kapsamında döviz kullanım oranı aranmaz.

Dahilde işleme izin belgesi kapsamında döviz kullanım oranı azami %80'dir. Ancak, ikincil işlem görmüş tarım ürünleri taahhüdü içeren belgelerde bu oran azami %100 olarak tespit edilebilir.

Dahilde işleme izin belgesi/dahilde işleme izni kapsamında ihracat taahhüdünün azami %1'i oranında değişmemiş eşya ithalatına izin verilebilir. Ayrıca, belge/izin kapsamında ithaline izin verilecek işletme malzemesi değeri, ihracat taahhüdünün %2'sini geçemez. Ancak, doğal taşlar ile kıymetli maden ve taş ihracat taahhüdü içeren belgede/izinde, bu oran %10'a kadar tespit edilebilir.

Belge/İzin Süreleri ve Ek Süreler

Madde 10- Dahilde işleme izin belgesinin/dahilde işleme izninin süresi sektörüne göre azami 12 (oniki) aya kadar tespit edilebilir.

Ancak, bu Karara istinaden yayımlanacak tebliğ ile belirlenen faaliyet ve/veya ürünlerin ihracına ilişkin düzenlenen belgelerin/izinlerin süresi, proje süresi kadar tespit edilebilir.

PUBLIC RECORD

Sürenin başlangıcı, dahilde işleme izin belgesinin/dahilde işleme izninin tarihidir. Süre sonu ise, belge/izin süresi (ek süre, haklı ve mücbir sebep ile fevkalade hallere ilişkin süreler dahil) bitiminin rastladığı ayın son günüdür.

Dahilde işleme izin belgesi kapsamında ilk ithalatın yapıldığı tarih esas alınmak suretiyle belge süresi azami 3 (üç) ay uzatılır. Ayrıca, firmanın belgeli performansı dikkate alınarak dahilde işleme izin belgesine verilecek ek süreler, bu Karara istinaden yayımlanacak tebliğ ile belirlenir.

Haklı ve Mücbir Sebep ile Fevkalade Haller

Madde 11- Bu Karara istinaden yayımlanacak tebliğle belirlenen haklı ve mücbir sebep ile fevkalade hallerin belge/izin süresi içerisinde meydana gelmesi halinde, dahilde işleme izin belgesine/dahilde işleme iznine ilave süre verilebilir. Haklı ve mücbir sebep ve fevkalade hallere istinaden belgeye/izne verilecek ilave süre, haklı ve mücbir sebep ile fevkalade hal süresi dikkate alınarak belirlenir.

Mücbir sebep ile fevkalade haller nedeniyle; dahilde işleme izin belgesi/dahilde işleme izni kapsamında ihracat taahhüdü aranmayacak veya bu durumda yeni ithalata izin verilecek haller ile ithal edilen eşyanın dahilde işleme rejiminden yararlanma koşullarına sahip başka bir firma adına düzenlenen belgeye/izne devredilmesine ilişkin usul ve esaslar, bu Karara istinaden yayımlanacak tebliğ ile belirlenir.

Şartlı muafiyet sistemi kapsamında haklı sebebe ilişkin verilecek ek süre içerisinde, belge/izin kapsamında alınacak teminat tutarı 2 (iki) katına kadar artırılabilir.

Belge/İzin Revizesi

Madde 12- Dahilde işleme izin belgesi/dahilde işleme izni, ilgili firma tarafından gerekli bilgi ve belgelerle müracaat edilmesi kaydıyla, bu Karara istinaden yayımlanacak tebliğ hükümleri çerçevesinde revize edilebilir.

İhracatın Gerçekleştirilmesi

Madde 13- İhracatın gerçekleştirilmesi, dahilde işleme izin belgesinde/dahilde işleme izninde ihracı taahhüt edilen işlem görmüş ürünün, bu Karar ile ihracat rejimi ve gümrük mevzuatı hükümleri çerçevesinde Türkiye Gümrük Bölgesi dışına veya serbest bölgelere ihraç edilmesidir.

Ancak, birinci fıkra hükmüne istinaden şartlı muafiyet sistemi çerçevesinde belge/izin süresi içerisinde serbest bölgelere yapılan ihracatın, belge/izin süresi bitiminden itibaren 3 (üç) ay içerisinde serbest bölgelerden başka bir ülkeye satışının veya bir başka belge/izin kapsamında Türkiye Gümrük Bölgesine ithalatının yapıldığının tevsiki kaydıyla, belge/izin ihracat taahhüdü kapatılır.

Ayrıca, birinci fıkra hükmüne istinaden geri ödeme sistemi çerçevesinde belge/izin süresi içerisinde serbest bölgelere yapılan ihracatın, belge/izin süresi bitiminden itibaren 3 (üç) ay içerisinde serbest bölgelerden başka bir ülkeye satışının yapıldığının tevsiki kaydıyla, belge/izin ihracat taahhüdü kapatılır.

İhraç bedellerinin yurda getirilmesine ilişkin esaslar kambiyo mevzuatı hükümlerine tabidir. İhraç bedelleri, döviz olarak veya mal olarak getirilebilir. Ancak, ihraç bedelinin mal olarak getirilmesi halinde, bu mallar dış ticaret mevzuatı hükümlerine tabidir.

Gümrük İdaresince Yapılacak İşlemler

Madde 14- Gümrük idaresince, dahilde işleme izin belgesi/dahilde işleme izni kapsamındaki işlemler; bu Karar, bu Karara istinaden yayımlanacak tebliğler, genelgeler, talimatlar ve belgenin özel şartlar bölümünde belirtilen hususlar ile ihracat rejimi ve gümrük mevzuatı hükümleri çerçevesinde gerçekleştirilir.

Gözetim ve Korunma Önlemlerine Tabi Eşya

Madde 15- Dahilde işleme izin belgesi/dahilde işleme izni kapsamında ithali gözetim ve korunma önlemlerine tabi eşyanın serbest dolaşıma girebilmesi için, ithal tarihi itibarıyla yürürlükte bulunan gözetim ve korunma önlemlerinin uygulanması zorunludur.

Aksi takdirde, bu eşyadan elde edilen işlem görmüş ürünün, üçüncü ülkelere ihracı ya da gümrük idaresi gözetiminde imhası gerekir.

Ancak, dahilde işleme izin belgesi/dahilde işleme izni kapsamında A.TR dolaşım belgesi eşliğinde Avrupa Topluluğuna üye ülkelere ihraç edilen işlem görmüş ürünün elde edilmesinde kullanılan eşyanın bu ülkelerde gözetim ve korunma önlemlerine tabi olmaması halinde, bu eşya ile ilgili olarak gözetim ve korunma önlemleri uygulanmaz.

Telafi Edici Verginin Ödenmesi

Madde 16- Şartlı muafiyet sistemi kapsamındaki sanayi ürünlerinin A.TR dolaşım belgesi eşliğinde Avrupa Topluluğuna üye ülkelere ihracatında; işlem görmüş ürünün elde edilmesinde kullanılan üçüncü ülke menşeli hammadde, yardımcı madde, yarı mamul, mamul ile değişmemiş eşyaya ilişkin vergi, kaynak ülkelerle varolan anlaşmalardaki lehte hükümler saklı kalmak kaydıyla ödenir. Ancak, Türkiye ile Avrupa Kömür ve Çelik Topluluğu arasında imzalanan Avrupa Kömür ve Çelik Topluluğu ürünleri ticaretine ilişkin anlaşma kapsamı eşya hariç olmak üzere, bu verginin aynı ithal eşyası için Toplulukta uygulanan vergiden yüksek olması halinde, Toplulukta uygulanan vergi ödenir.

Şartlı muafiyet sistemi kapsamındaki işlenmiş tarım ürünlerinin A.TR dolaşım belgesi eşliğinde Avrupa Topluluğuna üye ülkelere ihracatında, bu ürünlerin elde edilmesinde üçüncü ülke menşeli sanayi ürünü kullanılmışsa buna ilişkin vergi, işlenmiş tarım ürünü kullanılmış ise bu üründeki sanayi payına ilişkin vergi ödenir.

Anlaşma ile belirlenen menşe kuralının sağlanması ve bir menşe ispat belgesinin düzenlenmesi kaydıyla, şartlı muafiyet sistemi kapsamında ülkemizde doğmuş ve büyütülmüş canlı hayvanlar ile avlanma ve balıkçılık faaliyetlerinden elde edilen ürünler ve bunlardan elde edilen ürünler hariç olmak üzere, tarım ürünlerinin Avrupa Topluluğuna üye ülkelere ihracatında; bu ürünlerin elde edilmesinde kullanılan üçüncü ülke menşeli hammadde, yardımcı madde, yarı mamul, mamul ile değişmemiş eşyaya ilişkin vergi tahsil edilir. Ancak, bu verginin aynı ithal eşyası için Toplulukta uygulanan vergiden yüksek olması halinde, Toplulukta uygulanan vergi ödenir.

Anlaşma ile belirlenen menşe kuralının sağlanması ve bir menşe ispat belgesinin düzenlenmesi kaydıyla, şartlı muafiyet sistemi kapsamında, ülkemizde doğmuş ve büyütülmüş canlı hayvanlar ile avlanma ve balıkçılık faaliyetlerinden elde edilen ürünler ve bunlardan elde edilen ürünler hariç olmak üzere, Serbest Ticaret Anlaşması imzalanmış bir ülkeye yapılan ihracatta; işlem görmüş ürünün elde edilmesinde kullanılan ve bu ülke menşeli olmayan hammadde, yardımcı madde, yarı mamul, mamul ile değişmemiş eşyaya ilişkin vergi, ilgili anlaşmanın lehte hükümleri saklı kalmak kaydıyla ödenir. Ancak, Pan-Avrupa Menşe Kümülyasyonuna taraf ülkelerden menşe ispat belgeleri veya tedarikçi beyanı eşliğinde ithal edilen eşya kullanılarak elde edilen Kümülyasyona dahil işlem görmüş ürünün, menşe ispat belgeleri veya tedarikçi beyanı eşliğinde tekrar Kümülyasyona taraf ülkelerden birine ihraç edilmesi durumunda, ithalat rejiminde belirtilen oranda verginin tahsili aranmaksızın ilgili gümrük idaresince ihracata izin verilir.

PUBLIC RECORD

Şartlı muafiyet sistemi kapsamında serbest bölgelere yapılan ihracatın, belge/izin süresi bitiminden itibaren 3 (üç) ay içerisinde serbest bölgelerden A.TR dolaşım belgesi eşliğinde Avrupa Topluluğuna üye ülkelere veya menşe ispat belgeleri eşliğinde, Avrupa Topluluğu'na üye ülkelere, Pan-Avrupa Menşe Kümülasyonuna taraf ülkelere veya Serbest Ticaret Anlaşması imzalanmış bir ülkeye satışı halinde, birinci, ikinci, üçüncü ve dördüncü fıkralardaki hükümler çerçevesinde telafi edici verginin tahsili aranır.

Bu madde hükmü çerçevesinde ödenmesi gereken vergi, serbest bölgelerden yapılan satışlar dahil ihracata ilişkin gümrük beyannamesinin tescil tarihindeki Türkiye Cumhuriyet Merkez Bankası döviz satış kuru ve bu tarihte ithalat rejiminde belirtilen gümrük vergisi ve varsa toplu konut fonu üzerinden hesaplanarak ihracat esnasında ödenir. Ancak, belge kapsamında önceden ihracat işleminden sonra ithalat yapılması durumunda, bu vergi serbest bölgelerden yapılan satışlar dahil önceden ihracata ilişkin gümrük beyannamesinin tescil tarihindeki Türkiye Cumhuriyet Merkez Bankası döviz satış kuru ve bu tarihte ithalat rejiminde belirtilen gümrük vergisi ve varsa toplu konut fonu üzerinden hesaplanarak, önceden ihracata tekabül eden ithalatın yapılması esnasında ödenir. Tahsil edilen telafi edici vergi bütçeye irat kaydedilir.

İşlem görmüş ürünün elde edilmesinde kullanılan vergiye konu eşyanın tespitinde firma beyanı esas alınır. Aksine bir durumun tespiti halinde, ödenmeyen ya da eksik ödenen telafi edici vergi, altıncı fıkarda belirtilen ödemenin yapılması gereken tarih itibarıyla 6183 sayılı Amme Alacaklarının Tahsil Usulü Hakkında Kanun hükümlerine göre tahsil edilir.

Elde edilmesinde üçüncü ülke menşeli eşya kullanılan ve Avrupa Topluluğuna üye ülkelere ihraç edilen her türlü harp araç, gereç, teçhizat, makine, cihaz ve sistemleri ile bunların yapım, bakım ve onarımlarında kullanılacak yedek parçalar için telafi edici vergi aranmaz.

Verginin Geri Verilmesi

Madde 17- Dahilde işleme izin belgesi/dahilde işleme izni kapsamında ödenmemesi gerektiği halde ödenmiş olduğu belirlenen vergi, ilgili firmanın talebi üzerine 4458 sayılı Gümrük Kanunu ve 3065 sayılı Katma Değer Vergisi Kanunu hükümleri çerçevesinde nakden geri verilir.

Kısmi Teminat İadesi

Madde 18- Şartlı muafiyet sistemi kapsamında ithal edilen eşyadan elde edilen işlem görmüş ürünün ihraç edilmesi halinde, ilgili firmanın belge/izin süresi içerisindeki talebi üzerine, ithalat esnasında alınan teminatlar gerçekleşen ihracata tekabül eden oranda iade edilir. Ancak, iade edilen teminat tutarı, belge/izin kapsamında alınması gereken toplam verginin %90'ını geçemez.

İhracat Taahhüdünün Kapatılması

Madde 19- Dahilde işleme izin belgesi/dahilde işleme izni sahibi firmaların, belge/izin ihracat taahhüdünü kapatmak için, bu Karara istinaden yayımlanacak tebliğ hükümleri çerçevesinde müracaat etmeleri gerekir. Aksi takdirde, bu belge/izin müeyyide uygulanarak resen kapatılır.

Dahilde işleme izin belgesi/dahilde işleme izni ihracat taahhüdü, belgede/izinde belirtilen şartlar da dikkate alınmak suretiyle, dahilde işleme rejimi hükümleri çerçevesinde eşdeğer eşya ve/veya ithal eşyasından elde edilen işlem görmüş ürün ile değişmemiş eşyanın ihraç edildiğinin tespiti kaydıyla kapatılır.

Dahilde işleme izin belgesi/dahilde işleme izni ihracat taahhüdü, belge/izin sahibi firma ve/veya aracı ihracatçı firma tarafından gerçekleştirilen ihracat ile kapatılır. Ancak, Müsteşarlıkça (İhracat Genel Müdürlüğü) aracı ihracatçı kullanımına kısıtlama getirilebilir.

PUBLIC RECORD

Şartlı muafiyet sistemi kapsamında ithal edilen eşya, belge/izin süresi içerisinde, ticaret politikası önlemlerinin uygulanması, eşyanın gümrük idaresince yerinde tespiti, eşyanın ithali için öngörülen dış ticarette teknik düzenlemeler ve standardizasyon mevzuatı dahil diğer işlemlerin tamamlanması ve kanunen ödenmesi gereken vergilerin tahsili kaydıyla 4458 sayılı Gümrük Kanununun 114 üncü maddesinin birinci fıkrası ile 207 nci maddesi hükmüne göre serbest dolaşıma girebilir. Bu durumda serbest dolaşıma giren eşyaya tekabül eden ihracatın gerçekleşmesi aranmaz.

Dahilde işleme izin belgesi/dahilde işleme izni kapsamında ithal edilen eşyanın veya işlem görmüş ürünün, gümrük mevzuatı çerçevesinde gümrük idaresi gözetiminde imhası, gümrüğe terk edilmesi veya mahrecine iadesi hallerinde, bu eşyaya tekabül eden ihracatın gerçekleştirilmesi aranmaz.

Dahilde işleme izin belgesi/dahilde işleme izni kapsamında ithal edilen eşyadan elde edilen ikincil işlem görmüş ürünün, belge/izin ihracat taahhüdünün kapatılmasından önce gümrük mevzuatı çerçevesinde gümrük idaresi gözetiminde imhası, gümrüğe terk edilmesi, çıkış hükmünde gümrüğe teslimi veya serbest dolaşıma giriş rejimi hükümlerine göre ithali hallerinde, bu ürünün ihracatının gerçekleştirilmesi aranmaz. İkincil işlem görmüş ürünün serbest dolaşıma giriş rejimine göre ithaline ilişkin usul ve esaslar, bu Karara istinaden yayımlanacak tebliğle belirlenir.

Dahilde işleme izin belgesi kapsamında ihracı taahhüt edilen işlem görmüş ürünün belge sahibi firmalara yurt içinde teslimi ile belge/izin kapsamında ihraç edilen eşyaların alıcısı tarafından kabul edilmemesi halinde yapılacak işlemlere ilişkin usul ve esaslar, bu Karara istinaden yayımlanacak tebliğle belirlenir.

İhracat taahhüdünün kapatılmasını müteakip, dahilde işleme izin belgesi/dahilde işleme izni kapsamında alınan teminat veya vergi (4760 sayılı Özel Tüketim Vergisi Kanunu hükümleri saklı kalmak kaydıyla), bu Karara istinaden yayımlanacak tebliğle belirlenen usul ve esaslar çerçevesinde ilgili firmaya geri verilir.

İhracatın Gerçekleştirilmemesi

Madde 20- Bu Kararın 15 inci maddesi hükümleri saklı kalmak kaydıyla, şartlı muafiyet sistemi kapsamında ithal edilen ancak belge/izin süresi içerisinde işlem görmüş ürün olarak belge/izin şartlarına uygun şekilde Türkiye Gümrük Bölgesi dışına veya serbest bölgelere (belge/izin süresi bitiminden itibaren 3 (üç) ay içerisinde serbest bölgelerden başka bir ülkeye satışının yapılmaması halinde) ihracatı gerçekleştirilemeyen ithal eşyasına ilişkin alınmayan vergi, 22 nci madde hükümlerine göre tahsil edilir. Ancak, bu kapsamda serbest bölgelere yapılan ihracatın belge/izin süresi bitiminden itibaren 3 (üç) ay içerisinde bir başka belge/izin kapsamında Türkiye Gümrük Bölgesine ithal edilmesi halinde, 22 nci madde hükümleri uygulanmaz.

Geri ödeme sistemi kapsamında ithal edilen ancak belge/izin süresi içerisinde işlem görmüş ürün olarak belge/izin şartlarına uygun şekilde Türkiye Gümrük Bölgesi dışına veya serbest bölgelere (belge/izin süresi bitiminden itibaren 3 (üç) ay içerisinde serbest bölgelerden başka bir ülkeye satışının yapılmaması durumunda) ihracatın yapılmaması halinde, bu ithal eşyasına ilişkin alınan vergi iade edilmez.

Bu Kararın 19 uncu maddesinin altıncı fıkrası hükmü saklı kalmak kaydıyla, ikincil işlem görmüş ürünün ihraç edilmemesi halinde, ithal eşyasına ilişkin beyannamenin tescil tarihindeki kur ve vergi oranı veya asıl işlem görmüş ürünün ihraç edilen kısmı oranında ikincil işlem görmüş ürünün serbest dolaşıma girişine ilişkin beyannamenin tescil tarihindeki kur ve vergi oranı esas alınarak hesaplanan verginin, ilgili gümrük idaresine yatırıldığının tevsiki aranır. Aksi takdirde, 22 nci madde hükümlerine göre işlem yapılır.

Geri ödeme sistemi çerçevesinde düzenlenen dahilde işleme izin belgesi/dahilde işleme izni kapsamında A.TR dolaşım belgesi eşliğinde Avrupa Topluluğu'na üye ülkelere veya menşe ispat belgeleri eşliğinde, Avrupa Topluluğuna üye ülkelere, Pan-Avrupa Menşe Kümülayonuna taraf ülkelere veya Serbest Ticaret Anlaşması imzalanmış bir ülkeye işlem görmüş ürün olarak ihraç edilmek üzere ithal edilen ancak süresi içerisinde ihracı gerçekleştirilmeyen eşyaya ilişkin daha önce alınmayan vergi, 22 nci madde hükümlerine göre tahsil edilir.

Belgenin/İzinin İptali

Madde 21- Firmanın talep etmesi halinde, kullanılmayan dahilde işleme izin belgesi iptal edilir.

Bu Karar ve bu Karara istinaden yayımlanacak tebliğ ve genelge hükümlerine uyulmadığının, dahilde işleme izin belgesinin/dahilde işleme izninin düzenlenmesi veya revizesi için ibraz edilen bilgi ve belgeler ile belge/izin kapsamında yapılan işlemlerin gerçek dışı olduğunun veya gerçeği yansıtmadığının yahut belgenin/izin sahtesinin düzenlendiğinin veya üzerinde tahrifat yapıldığının tespiti halinde; ilgili belge/izin iptal edilir ve ilgililer hakkında kanuni işlem yapılır. Ayrıca, bu belge/izin sahibi firmaya ait dahilde işleme izin belgelerine/dahilde işleme izinlerine (bu firmaların bir başka firmanın belgesinde yan sanayici olması da dahil) 1 (bir) yıl süreyle indirimli teminat uygulanmaz.

İptal edilen belge/izin ile ilgili olarak, 22 nci madde hükümlerine göre işlem yapılır.

Dahilde İşleme Tedbirlerine Uyulmaması

Madde 22- Dahilde işleme tedbirlerini, dahilde işleme rejimi ve belgede/izinde belirtilen esas ve şartlara uygun olarak yerine getirmeyenlerden;

a) Şartlı muafiyet sistemi kapsamında ithal edilen ve Türkiye Gümrük Bölgesi dışına veya belge/izin süresi bitiminden itibaren 3 (üç) ay içerisinde başka bir ülkeye satışının yapılması kaydıyla belge/izin süresi içerisinde serbest bölgelere ihracı gerçekleştirilmeyen eşya ile belge/izin süresi içerisinde serbest bölgelere ihraç edilen eşyanın belge/izin süresi bitiminden itibaren 3 (üç) ay içerisinde bir başka belge/izin kapsamında ithalatı şartıyla Türkiye Gümrük Bölgesine getirilmeyen eşyanın ithali esnasında alınmayan vergi,

b) Belge/izin kapsamında izin verilen miktarın üzerinde ithalat yapılması halinde, bu kısma tekabül eden ithalattan doğan vergi,

c) Belge kapsamında ithal edilen eşyanın tamamı ihraç edilen işlem görmüş ürünün elde edilmesinde kullanılmış olsa dahi döviz kullanım oranının %80'i (İkincil işlem görmüş tarım ürünü taahhüdü içeren belgeler için %100'ü) geçmesi halinde, bu oranı aşan kısma tekabül eden ithalatla ilgili alınmayan vergi,

d) Belge/izin kapsamında ithal edilen işletme malzemesinin CIF ithal tutarının, gerçekleşen FOB ihraç tutarının %2 (doğal taşlar ile kıymetli maden ve taş ihraç taahhüdü içeren belgelerde %10)'sinden fazla olması halinde, bu oranı aşan kısma tekabül eden ithalatla ilgili alınmayan vergi,

e) Belge/izin kapsamında ithal edilen değişmemiş eşyanın CIF ithal tutarının, gerçekleşen FOB ihraç tutarının %1'inden fazla olması halinde, bu oranı aşan kısma tekabül eden ithalatla ilgili alınmayan vergi,

f) Geri ödeme sistemi çerçevesinde düzenlenen belge/izin kapsamında A.TR dolaşım belgesi eşliğinde Avrupa Topluluğuna üye ülkelere veya menşe ispat belgeleri eşliğinde, Avrupa Topluluğuna üye ülkelere, Pan-Avrupa Menşe Kümülayonuna taraf ülkelere veya Serbest Ticaret Anlaşması

imzalanmış bir ÷lkeye işlem görmüş ürün olarak ihraç edilmek üzere ithal edilen ancak süresi içerisinde ihracı gerçekleştirilmeyen eşyaya ilişkin alınmayan vergi,

g) Dahilde işleme izin belgesinin/dahilde işleme izninin iptal edilmesi halinde, belge/izin kapsamında varsa alınmayan vergi,

h) Dahilde işleme izin belgesinin/dahilde işleme izninin resen kapatılması halinde, belge/izin kapsamında varsa alınmayan vergi,

ithal tarihi itibarıyla 4458 sayılı Gümrük Kanunu ile 6183 sayılı Amme Alacaklarının Tahsil Usulü Hakkında Kanun hükümlerine göre tahsil edilir. Ayrıca, ithal edilen ve süresi içerisinde ihracı gerçekleştirilmeyen eşya için 4458 sayılı Kanunun 238 inci maddesi hükmü çerçevesinde gümrük vergilerinin 2 (iki) katı para cezası alınır.

Birinci fıkra hükmü çerçevesinde vergisi ve cezaları ödenen eşyanın serbest dolaşıma giriş rejimine tabi tutulmasının talep edilmesi halinde, ticaret politikası önlemlerinin uygulanması ve eşyanın ithali için öngör÷len dış ticarete teknik düzenlemeler ve standardizasyon mevzuatı dahil diğer işlemlerin tamamlanması şartı aranır. Aksi takdirde, bu eşyanın serbest dolaşıma giriş rejimi dışındaki gümrükçe onaylanmış bir işlem veya kullanıma tabi tutulması gerekir.

Dahilde İşleme Rejiminde Sağlanan Hakların Kötüye Kullanımı

Madde 23- Müsteşarlık veya diğer kamu kurum ve kuruluşlarının denetim birimleri ile Gümrük Müsteşarlığınca yapılan inceleme ve soruşturma sonucunda, gümrük beyannamesi ve eki belgelerin sahte olduğunun veya üzerinde tahrifat yapıldığının ya da gerçek dışı olduğunun veya gerçeği yansıtmadığının tespiti halinde;

a) Bu gümrük beyannamesi dahilde işleme izin belgesi/dahilde işleme izni ihracat taahhüdünün kapatılmasında kullanılamaz.

b) İhracat taahhüdünün kapatılmasında kullanılmış olması veya kullanılmak üzere ibraz edilmesi halinde, bu beyanname kapsamı ihracata tekabül eden ithalata ilişkin vergi, bu Kararın 22 nci maddesi hükümleri çerçevesinde tahsil edilir ve ilgililer hakkında kanuni işlem yapılır.

c) Bu gümrük beyannamesinde kayıtlı belge/izin sahibi firma ve/veya aracı ihracatçıya ait dahilde işleme izin belgelerine/dahilde işleme izinlerine (bu firmaların bir başka firmanın belgesinde yan sanayici olması da dahil) 1 (bir) yıl süreyle indirimli teminat uygulanmaz. Bu durumdaki aracı ihracatçı, beyanname konusu işlem görmüş ürünün elde edilmesinde kullanılan eşyanın ithalatı esnasında alınmayan vergiden, belge/izin sahibi firma ile birlikte müştereken ve müteselsilen sorumludur.

Ancak, gümrük beyannamesi ve eki belgeler üzerindeki tahrifatın belge/izin sahibi firma tarafından yapılmadığının kesinleşmiş mahkeme kararı ile tespiti kaydıyla, bu işlemin dahilde işleme rejimi çerçevesinde firmaya herhangi bir menfaat sağlamadığı ve yapılan ihracatın gerçek olduğunun tespiti halinde, birinci fıkra hükmü uygulanmaz.

Denetim

Madde 24- Tüm kamu kurum ve kuruluşları ile bankalar, dahilde işleme tedbirlerini, dahilde işleme rejimi ve belgede/izinde belirtilen esas ve şartlara uygun olarak tatbik ederler. Müsteşarlık, bu Kararda belirtilen tedbirlerin uygulanmasına ilişkin her türlü denetimi ve düzenlemeyi yapabilir, ilgili firma, kamu kurum ve kuruluşları ile bankalardan bilgi ve belge isteyebilir ve gerekli önlemleri alabilir.

DÖRDÜNCÜ BÖLÜM

ÇEŞİTLİ HÜKÜMLER

Uygulama

Madde 25- Bu Kararın yayımlandığı tarihten önceki Kararlara istinaden düzenlenen dahilde işleme izin belgeleri/dahilde işleme izinleri kendi mevzuatı hükümlerine tabidir. Henüz ihracat taahhüdü kapatılmamış olan dahilde işleme izin belgelerine/dahilde işleme izinlerine, bu Kararın lehe olan hükümleri uygulanır.

Yetki

Madde 26 – Müsteşarlık bu Karar hükümlerine istinaden, dahilde işleme rejimi ile ilgili usul ve esaslara ilişkin tebliğ ve genelgeler çıkarmaya, izin ve talimat vermeye, özel ve zorunlu durumları inceleyip sonuçlandırmaya ve uygulamada ortaya çıkacak ihtilafları idari yoldan çözümlemeye yetkilidir.

Bu Karar hükümlerine istinaden yapılacak tüm işlemler, bu Karara istinaden yayımlanacak tebliğ hükümleri çerçevesinde, bilgisayar veri işleme tekniği yoluyla gerçekleştirilebilir.

Ayrıca, Müsteşarlık (İhracat Genel Müdürlüğü) dahilde işleme izin belgesinin taahhüt kapatma, iptal veya resen kapatma işlemlerini (müeyyidenin tahsil edilmediğinin tespiti kaydıyla) geri almaya yetkilidir. Dahilde işleme izninin taahhüt kapatma, iptal veya resen kapatma işlemlerini (müeyyidenin tahsil edilmediğinin tespiti kaydıyla) geri almaya ise, Gümrük Müsteşarlığı yetkilidir.

Müsteşarlık, gümrük mevzuatı hükümleri çerçevesinde onaylanmış kişi statü belgesine sahip kişiler için, dahilde işleme rejimi hükümlerinin kolaylaştırılması amacıyla tebliğ, genelge ve talimat ile düzenleme yapmaya yetkilidir.

Dahilde işleme izin belgelerinin revize edilmesi ve taahhüt hesabının kapatılması ile ilgili görev ve yetkiler Müsteşarlıkça kullanılabileceği gibi, bu Karara istinaden yayımlanacak tebliğ ile, diğer kamu kurumları ve/veya ihracatçı birlikleri genel sekreterliklerine kısmen veya tamamen devredilebilir.

Geçici Madde 1- Bu Kararın yayımı tarihinden önce düzenlenen dahilde işleme izin belgeleri (müeyyide uygulanan ancak vergileri tahsil edilmeyen belgeler dahil) kapsamında yurt içinden alınan ve süresi içerisinde ihracı gerçekleştirilmeyen eşyaya ilişkin verginin, 6183 sayılı Amme Alacaklarının Tahsil Usulü Hakkında Kanun hükümlerine göre tahsili kaydıyla, belge ihracat taahhütleri kapatılır.

Geçici Madde 2- Bu Kararın yayımı tarihinden önce düzenlenen ve süresi sona eren dahilde işleme izin belgesi/ihracatı teşvik belgesi ihracat taahhütleri, yan sanayici unvanı kayıtlı gümrük beyannameleriyle de kapatılabilir.

Ayrıca, bu Kararın yayımı tarihinden önce düzenlenen ve süresi sona eren dahilde işleme izin belgesi/ihracatı teşvik belgesi kapsamında ihracı taahhüt edilen işlem görmüş ürünün, belge sahibi firma ve/veya yan sanayici tarafından bir başka firmaya teslim edildiğinin yeminli mali müşavir raporuyla tevsik edilmesi ve bu firma ve/veya aracı ihracatçı tarafından ihracatın gerçekleştirildiğinin tespiti kaydıyla, bu gümrük beyannamesi ihracat taahhüdüne sayılabilir.

Geçici Madde 3- Dahilde işleme rejimi kapsamında ithal edilen gözetim ve korunma önlemine tabi eşyadan elde edilen işlem görmüş ürünü A.TR dolaşım belgesi eşliğinde Avrupa Topluluğuna üye ülkelere ihraç eden ancak, bu eşya ile ilgili olarak ithal lisansları ve/veya gözetim belgeleri (yan sanayici veya aracı ihracatçı adına olanlar dahil) bulunmayan firmalara ait bu Kararın yayımı tarihinden önce düzenlenen ve süresi sona eren dahilde işleme izin belgelerinin/dahilde işleme izinlerinin ihracat

taahhütleri, ilgili mevzuat hükümleri çerçevesinde diğer şartların yerine getirilmesi kaydıyla, bu eşya ile ilgili olarak ithal lisansları ve/veya gözetim belgeleri aranmaksızın kapatılır.

Geçici Madde 4- Bu Kararın yayımından önce düzenlenen, en geç 31/12/2004 tarihinde süresi sona eren ve aynı firmaya ait dahilde işleme izin belgeleri ihracat taahhütleri, belge sürelerinin birbiri içerisine girmesi kaydıyla birlikte kapatılabilir.

Geçici Madde 5- 30/1/2002 tarihli ve 4743 sayılı Kanun çerçevesindeki finansal yeniden yapılandırma sözleşmelerine ve Tasarruf Mevduatı Sigorta Fonu ile yapılan sözleşmelere göre borçları yeniden yapılandırılan ve yeni bir itfa planına bağlanan borçlular adına, bu Kararın yayımından önce düzenlenen dahilde işleme izin belgelerine/dahilde işleme izinlerine (müeyyide uygulanan ancak vergileri tahsil edilmeyen belgeler/izinler dahil), bu Kararın yayımı tarihinden itibaren 18 ay süre verilir. Ayrıca, bu Karara istinaden yayımlanacak tebliğ hükümleri çerçevesinde ilgili belge/izin kapsamındaki ihracat performansı dikkate alınarak, belgeye/izne ilave süre verilebilir.

Bu kapsamda ek süre verilen dahilde işleme izin belgelerinin/dahilde işleme izinlerinin ihracat taahhütleri, belge/izin sahibi firma ya da grup firmaları veya Tasarruf Mevduatı Sigorta Fonu ile yapılan sözleşmede belirtilen borçlular ve müşterek borçlu müteselsil kefiller tarafından yapılan ihracat ile kapatılabilir.

Geçici Madde 6- Henüz ihracat taahhüdü kapatılmamış olan dahilde işleme izin belgelerine/dahilde işleme izinlerine, belgenin/izin kendi mevzuatında ve bu Kararda belirtilen müracaat süreleri dikkate alınmaksızın bu Kararın lehe hükümleri uygulanır.

Geçici Madde 7- 13/5/2003 tarihli ve 25107 sayılı Resmi Gazete’de yayımlanan 25/4/2003 tarihli ve 2003/5548 sayılı Kararnamenin eki Karar çerçevesinde ihracat taahhüdünün gerçekleştirilmesi için dahilde işleme izin belgesine verilen süreler, belge süresi olarak kabul edilir.

Geçici Madde 8- Bu Kararın yayımı tarihinden önce düzenlenen dahilde işleme izin belgeleri kapsamında yurt içinden temin edilme imkanı bulunmayan hammadde, yarı mamul ve mamul madde için bu Kararın 9 uncu maddesinde belirtilen döviz kullanım oranının %10 (%90 döviz kullanım oranı) aşılması durumunda, ithal edilen eşyanın işlem görmüş ürün olarak ihraç edildiğinin tespiti ve Müsteşarlığın uygun görmesi şartıyla belge ihracat taahhüdü kapatılabilir.

Geçici Madde 9 - Bu Kararın yayımı tarihinden önce özel fatura düzenleme yetkisi bulunmayan gümrük idarelerince tescil edilen ancak bu idarelerden teyidi alınamadığı için ihracat taahhüdüne saydırlamayan özel fatura ile ilgili dahilde işleme izin belgeleri (müeyyide uygulanan ancak vergileri tahsil edilmeyen belgeler dahil) ihracat taahhütleri, bu Kararın yayımı tarihinden itibaren 6 (altı) ay içerisinde yapılan ihracat ile kapatılır. Belge süresi sonu ile bu Kararın yayımı tarihi arasında gerçekleştirilen ihracat da belge ihracat taahhüdüne sayılır.

Geçici Madde 10 - Bu Kararın yayımı tarihinden önce düzenlenen ve süresi sona eren dahilde işleme izin belgesi kapsamında menşe ispat belgeleri eşliğinde Serbest Ticaret Anlaşması imzalanmış bir ülkeye ihracatı gerçekleştirilen işlem görmüş ürünün, bu ülkelerden tercihli tarife uygulamasından yararlanmaksızın başka bir ülkeye ihraç edildiğinin tevsiki halinde, bu ürünün elde edilmesinde kullanılan hammadde, yardımcı madde, yarı mamul, mamul ile değişmemiş eşyaya ilişkin telafi edici verginin ödenmesi aranmaz.

Geçici Madde 11 - Taahhüt hesapları kapatılmayan 1 ve 2 kodlu ihracatı teşvik belgeleri kapsamında ithal edilen eşyanın işlem görmüş ürün olarak belge süresi içerisinde ihraç edildiğinin gümrük idaresince tespit edilmesi ve ilgili ihracatçı birlikleri genel sekreterliğine bildirilmesi kaydıyla, belge ihracat taahhütleri bu ihracata tekabül eden ithal eşyasına müeyyide uygulanmaksızın, ihracatçı birliği genel sekreterliği tarafından resen kapatılır.

PUBLIC RECORD

Taahhüt hesapları kapatılmayan 3 kodlu ihracatı teşvik belgeleri kapsamında ithal edilen eşyanın işlem görmüş ürün olarak belge süresi içerisinde ihraç edildiğinin gümrük idaresince tespit edilmesi halinde, belge ihracat taahhütleri bu ihracata tekabül eden ithal eşyasına müeyyide uygulanmaksızın gümrük idaresi tarafından resen kapatılır.

Yürürlükten Kaldırılan Hükümler

Madde 27- 23/12/1999 tarihli ve 99/13819 sayılı Kararname eki Karar, ek ve değişiklikleri ile birlikte yürürlükten kaldırılmıştır.

Yürürlük

Madde 28- Bu Karar yayımı tarihinde yürürlüğe girer.

Yürütme

Madde 29- Bu Kararı Dış Ticaret Müsteşarlığının bağlı bulunduğu Bakan yürütür.