

LAW ON THE ORGANIZATIONAL AND DUTIES OF THE TOBACCO AND ALCOHOL MARKET
REGULATORY AUTHORITY ⁽¹⁾

Law Number : 4733
Acceptance Date : 3/1/2002
Official Newspaper of Publication : Date: 9/1/2002 Number: 24635
The Code of Publication : Edition : 5

Objective and definitions ⁽²⁾

Article 1 – The objective of this law is to restructure the Tobacco, Tobacco Products, Salt and Alcohol Operations General Directorate, establish the Tobacco and Alcohol Market Regulatory Authority, regulate the duties and authorities of this Board and organize the procedures and principles concerning the production, internal and external purchase and sales of tobacco and tobacco products in Turkey.

In the application of this Law:

- a) Minister: shall mean the Government Minister with whom the Board is associated.
- b) Board: shall mean the Tobacco and Alcohol Market Regulatory Board
- c) Authority: shall mean the Tobacco and Alcohol Market Regulatory Authority
- d) General Directorate: shall mean the Tobacco, Tobacco Products, Salt and Alcohol Operations General Directorate.
- e) The auction start price: shall mean minus 50 percent of the average of export for three years chosen from the last five years by the Board for every quality grade-yield tobacco.

The Tobacco and Alcohol Market Regulatory Authority and Board ⁽²⁾

Article 2 – In order to carry out the duties and utilize the authorizations that are assigned by this law and other laws the Tobacco and Alcohol Market Regulatory Authority with public legal entity, administrative and financial autonomy has been established. The headquarters of the Authority is in Ankara. The Authority may establish branches at locations it deems necessary. The Authority organs are the Tobacco and Alcohol Market Regulatory Authority and its service units. The Authority is associated with a Government Minister who is appointed by the Prime Minister.

-
- (1) While the name of this law was “Amendment of the Law No. 4046 on the Restructuring of the Tobacco, Tobacco Products, Salt and Alcohol Operations General Directorate and the Production, Internal and External Purchase and Sale of Tobacco and Tobacco Products and the Statutory Decision No. 233” the text has been changed per article 6 of Law No. 5752 dated 3/4/2008.
- (2) Pursuant to Article 6 of law no. 5752 dated 3/4/2008; The phrase “The Tobacco, Tobacco Products and Alcoholic Beverages Market Regulatory Authority” in article one clause one of the Law has been changed to “Tobacco and Alcohol Market Regulatory Authority” and the phrase “Tobacco, Tobacco Products and Alcoholic Beverages Market Coordination Organization” included in clause two of the definitions section has been changed to “Tobacco and Alcohol Market Regulatory Authority” and the phrase “Tobacco, Tobacco Products and Alcoholic Beverages Market Coordination Organization” has been changed to “Tobacco and Alcohol Market Regulatory Authority” and also the title of article 2 which was “Tobacco, Tobacco Products and Alcoholic Beverages Market Coordination Organization and Board” was changed to “Tobacco and Alcohol Market Coordination Organization and Board”; the phrase “Tobacco, Tobacco Products and Alcoholic Beverages Market Coordination Organization” and ““Tobacco and Alcohol Market Coordination Organization” in clause one of the same article was changed to “Tobacco and Alcohol Market Coordination Organization” and incorporated into the text.

The Board is an organ of the Organization. The Board is comprised of seven members, one of which is the chairman and another is the deputy chairman. The Board Chairman and members are appointed by the Council of Ministers from among 2 candidates each nominated by the Ministry of Finance, Health, Agriculture and Rural Affairs, Treasury, Foreign Trade, the Chamber of Agriculture and the General Directorate.

The Board members are selected from candidates with at least a four year college degree in law, business, international relations, public administration, finance, medicine, engineering and tobacco expertise achieved in Turkey or abroad who have sufficient professional knowledge and experience and who have worked in their profession for at least ten years in the private or public sector. Also the conditions specified in Article 48 clause (A) sub clauses (1), (4), (5), (6) and (7) of the Law no. 657 on Civil Servants will be sought for these candidates.

The term of duty for the Board members is five years. A member whose term is completed may be re-elected. When the term of a member has ended for any reason, the Council of Ministers will appoint a new member within one month at the latest, according to the procedure described in clause two of this article. Members who fail to attend four consecutive meetings or a total of ten meetings in one year are considered to have resigned.

Board Member appointments cannot be ended before their term is completed. However any Board Chairman and members who are sentenced to imprisonment for violating the prohibitions in this Law or due to crimes committed in connection with the duty they have been assigned, who are determined to have lost the sought conditions for being a Civil Servant according to the Civil Servants Law no. 657 or who are unable to perform their duties for over three months due to illness, accident or other reason or Board members who are determined to be unable to complete their term of duty and confirm this with a Board report from an authorized hospital are removed from their post by the Council of Ministers.

The working principles, duties and authorities of the Board

Article 3 – The duties and authorities of the Board are as follows:

- a) To make regulations concerning the duties that are to be carried out by the Board per this Law.
- b) **(Abrogated: 23/1/2008 – 5728/578 article)**
- c) To conduct transactions to determine the fees per sales and compliance certificates and collecting of fees for registrations, licenses and permits by the Authority.
- d) Reserving all rights to the provisions in the Law no 4207 on Prevention and Control of the Hazards of Tobacco Products, to issue regulations to prevent all public, community or medical hazards from tobacco and alcohol consumption and to make decisions concerning these.
- e) To make regulations relevant to the enforcement of this Law.
- f) To cooperate with domestic and foreign organizations on this issue and when necessary decided to become a member of these organizations.
- g) To create the personnel policy of the Authority including personnel appointments.
- h) To decide on issues such as purchasing, selling and leasing moveable and immoveable properties or services from the Authority.
- i) To make decisions on the Authority's receivables, rights and debts.
- j) To determine the conditions for facilitating and operating an accredited laboratory under the Authority.
- k) To carry out the duties that have been assigned to the General Directorate with the Law no. 1918 on the Banning and Monitoring of Smuggling, Law no. 4250 on the Monopoly of Spirits and Alcoholic Beverages, Law no. 492 on Fees and other laws.

l) To demand all manner of information on issues concerning the field of the Authority's duties from real individuals and legal entities producing, marketing and selling products in the tobacco, tobacco products and alcoholic beverages market and any of their organizations.

m) To carry out the other duties that are assigned by laws.

Board members are considered civil servants in terms of any crimes they commit against the Authority's money, documents representing money, notes and other assets and crimes committed against the current balance sheet, minutes, reports and other documents and ledgers. In the event that Board members disclose confidential information they learned in the course of their work the provisions of Law No. 765 of the Turkish Penal Code Article 229 shall apply and they shall be relieved of their duties on the Board. These individuals may not be re-elected to the Board.

The process of appointment, status and employee rights of the Authority personnel

ARTICLE 4 – The Chairman of the Board is the highest Authority of the Authority and is responsible for the overall management and representation of the Authority. **(Amended second sentence: 3/4/2008-5752/1 art.)** The Deputy Chairmen and Department Heads are appointed by the Board upon the recommendation of the Chairman and the other personnel is appointed by the Chairman.

The essential and continuous tasks required by the Authority's services are carried out by staff employed on an administrative services contractual basis. The Authority personnel are subject to the Civil Servants Law No. 657 other than their fees and financial rights.

(Amended third clause: 3/4/2008 – 5752/1 art.) The Chairman of the Board, members and staff of the Authority are subject to the Republic of Turkey Pension Fund Act No. 5434 dated 8/6/1949. In terms of retirement, the additional index and position compensation equivalent to a ministry undersecretary for the Chairman, deputy ministry undersecretary for the Board members, ministry general manager for the Authority deputy chairmen, and the Prime Ministry Expert and Deputy Experts for the Authority's professional staff are applied corresponding to the level of benefits they have earned.

Of those who have been appointed to Chairman of the Board and Board membership, those who are subject to the personnel regime regulated by the Civil Servant Law no. 657 or special regulations will be appointed to staffs appropriate to their vested interests by the relevant Minister if they apply after their term on the Board is completed. The conditions required for the acquisition of academic titles are reserved.

The net salary of the Chairman and members of the Board is determined by the Council of Ministers upon the proposal of the Minister not to exceed double the net salary, including all payments, of the senior most civil servant wage.

(1) *With the article 1 of the Law no 5752 dated 3/4/2008; the title of this article which was "the service departments of the Authority, the status, process for appointment and personal benefits of Authority personnel" has been changed as inserted in the text.*

The Board Members must declare their assets within one month of the date that they start and depart from appointment and once every two years while their appointment continues.

Fees and other financial rights of its staff shall be determined by the Board within the framework of the principles specified by the Council of Ministers.

(Additional clause: 3/4/2008 – 5752/1 art.) Vocational personnel; are comprised of head specialists, specialists and assistant specialists. In order to be appointed to an assistant specialist position the following qualifications are sought in addition to the conditions listed in article 48 of the Civil Servants Law No. 657 dated 14/7/1965;

- a) Graduated from the medical, law, business, economics, social sciences, economics and administrative sciences faculties or machine, industry, food, agriculture, tobacco technology engineering or science and literature faculties, biology or chemistry departments of universities in the country or abroad or from other Higher Education Authorities certified to be equivalent by the Board of Higher Education,
- b) Succeed in passing the competitive exam that is given,
- c) Not to have completed 30 years of age on the first day of January following the year in which the exam takes place,
- d) Not to have participated more than twice in a competitive exam for assistant specialist before,

Individuals who are appointed to assistant specialist positions are appointed as specialists and given a one-time raise of their degree once they have worked for three years with a positive record, achieved at least a (C) level in the Civil Servant Personnel Foreign Language Knowledge Level Detection Test or other foreign language points that are internationally accepted and deemed equivalent to this test, the dissertation they have prepared is accepted by the jury and they are successful in the sufficiency exam. Those who do not prepare a dissertation without justification or take the exam or fail the exam more than twice are appointed to a suitable position to their situation within the Authority. The competitive and sufficiency tests for the Authority, the principles and procedures for working and all other relevant issues are determined by regulations issued by the Authority.

(Additional clause: 3/4/2008-5752-1 art.) The staff, class, title and degrees of the personnel to be employed by the Authority are shown in the attached list (I). On the condition of not exceeding the total number of staff in the attached list (I) and to be limited to the staff titles specified in the list that is in the attachment of the Statutory Decision No. 190 dated 14/12/1983 on the General Staff and Procedures, changing the staff, class, title and degrees and cancelling obsolete staffs is done by Council of Ministers Decision.

(Additional clause: 3/4/2008-5752-1 art.) The Authority personnel may not be appointed temporarily to other Authorities and boards outside of the relevant Ministry.

The services departments of the Authority

Article 4/A – (Annex: 3/4/2008-5752/2 art.)

The service departments of the Authority and their duties and authorities are:

a) Tobacco Markets Department Directorate; Tobacco seed transport, import and export, tobacco production, purchase and sale of producer's tobacco, tobacco processing, storage, domestic and foreign trade and tobacco waste, tobacco processing plant establishment, production permit, project modification, relocation, closure, all manner of transfer transactions and the technical control of these procedures are carried out by this department.

b) Tobacco Products Markets Department Directorate; production of tobacco products, domestic and foreign trade of tobacco products, establishment of manufacturing facilities, production permit, project modification, closure, transfer operations and all manner of transfer transactions and the technical control of these procedures are carried out by this department.

c) Alcohol Market Department Directorate; Ethyl alcohol and methanol production, domestic and foreign trade, denaturation, packaging, distribution, maintaining on hand in order to use in production, storage, recycling, treatment, establishment of production facilities, production permit, project modification, closure and any transfer transactions, transactions concerning the application of the Spirits and Alcoholic Beverages Law No. 4250 dated 8/6/1942 and the technical control of these procedures are carried out by this department.

d) The Alcoholic Beverages Market Department Directorate; Other than the provisions of the Law no. 5179 dated 05.27.2004 on the Amendments to the Decree Concerning Food Production, Consumption and Inspection the foreign and domestic trade of alcoholic beverages, distribution, storage and recycling; the establishment of production facilities, operation, project modification, closure and transfer operations as well as all processes for the implementation of Law No. 4250 and the technical control of these procedures are carried out by this department.

e) Sector Competition and Consumer Rights Department Directorate; other than the provisions of Law 5179, issuing the permits and authorizations for the sale and provisions of products under the jurisdiction of Authority, market surveillance and control on these activities, creating work to develop public awareness about tobacco and alcohol market-related regulations and practice and determining competition and advertisement conditions to reduce the options of consumers and conducting work on the use of banderoles, labels, holograms, stamps, seals or similar signs on the products within the scope of this Law in cooperation with other institutes and organizations are carried out by this department.

f) Tobacco and Alcohol Control Department Directorate; For the purpose of preventing the harmful public and medical effects of tobacco and alcohol consumption creating work towards practicing the World Health Organization's Tobacco Control Framework Convention and the Hazards of Tobacco Products Prevention and Control Law No. 4207 dated 11.07.1996, conducting work on the preventing activities that encourage tobacco, and alcohol consumption and illicit trade in cooperation with other institutes and organizations, other than the provisions of Law no. 5179, performing or commissioning analyses on tobacco, tobacco products, ethyl alcohol, methanol and alcoholic beverages to determine harmful substances that could damage human health are tasks carried out by this department.

g) Audit Department Directorate; examining and inspecting the processes and accounts of real individuals and legal entities active in the markets regulated by the Authority, cooperating with competent public Authorities and organizations when necessary on these issues and providing solutions to disruptions observed in the market are tasks that are carried out by this department .

h) The European Union and International Relations Department Directorate; within the framework of the International Relations Implementation and Coordination Law No. 1173 dated 5/5/1969 doing the necessary work to comply with the European union acquis on the subjects that fall into the scope of its duties, conducting relevant transactions with international and foreign organizations, coordinating the agreements that will be made with these organizations and working on becoming a member of these organizations when necessary the negotiations and coordinating consultations There, members of the Authority to be necessary are tasks that are carried out by this department.

i) Prime Ministry Advisory; provides counsel to the Board Chairman and the members of the Authority on issues related to their scope of responsibility and carries out all other tasks to be given by the Board Chairman and the members.

j) The Legal Counsel; monitors all conflicts in processes to which the Authority is a party or with which it is concerned, prepares the necessary information for judicial and administrative proceedings to solve such conflicts, represents the Authority in cases where they are a party or tracks and coordinates cases that are represented via purchase of services by the Authority, provides counsel to the Board Chairman, the Board and its service departments, does legislative work on matters that fall under the scope of the Authority tasks, notifies opinions on laws, rules and regulations, bills and other legal matters that are prepared by other Boards and Authorities and sent to the Authority, takes the necessary precautions to protect the interests of the Authority, takes legal measures in time to prevent disputes and assists in making contract that are in accordance with these principles.

k) The Press and Public Relations Department; provision of the documents deemed necessary by tracking the written and visual press on matters related to the Authority's field of activity, planning the press and media relations of the Authority, conducting broadcasts and activities to promote the Authority in the public and taking the necessary precautions to make sure that the applications to obtain information according to the Right to Information Act no. 4982 dated 9/10/2003 are carried out efficiently, quickly and accurately are the tasks that are carried out in this department.

l) The Department of Human Resources and Support Services Directorate; Planning the Authority's work force, personnel wages and other financial and social rights and preparing the training plan for domestic and overseas training and ensuring its application and assessment, determining the performance criteria and professional principles, executing the duties specified in the Public Financial Management and Control Law no. 5018 dated 10/12/2003 and conducting any kind of purchase, rental, repair and maintenance, archive, health and other similar administrative and financial services needed by the Authority, keeping records of movable and immovable property purchases and planning civil defense and mobilization services are the tasks that are carried out in this department.

m) Department of Informatics; preparing and implementing the Authority IT strategies, coordinating and conducting all work related to the software and hardware infrastructure are the tasks that are carried out in this department.

n) The Board Special Bureau Directorate; conducts the secretarial work of the Board and Board members and organizes the protocol work.

o) Special Bureau of the Chairman; carries out all the secretarial services of the Board Chairman and organizes all protocol work.

The income and expenses and auditing of the Authority

Article 5 - The Authority's revenues are as follows:

- a) **(Abrogated: 6/6/2002 – 4760/18 art.)**
- b) The fee charged per product manufacturing, sales and conformity certificate.
- c) Registration, permit and license fees.
- d) Twenty-five percent of administrative fines in this Law.

(Abrogated: 6/6/2002-4760/18 art.)

The Authority's expenses are as follows:

- a) Administrative expenses.
- b) Research and development activities related to the sector and all expenses generated by the support of activities deemed necessary to guide and organize work towards preventing the harmful effects of a public, community or medical nature caused by tobacco and alcohol consumption.

The expenses of the Authority are made according to the annual budget that is enforced pursuant to the Board's decision. Agency's budget year is the calendar year. The difference between annual income and expenses based on the principles to be determined by the Ministry of Finance will be transferred to the general budget. Property and assets of the Authority are considered public property and cannot be seized or shown as collateral.

The Board is subject to the inspection of the Prime Ministry Superior Audit Board.

The purchase and sale of production tobacco, production of tobacco products and tobacco and tobacco products trade

Article 6 - Production tobaccos are bought and sold by means of a written contract or auction. The prices of tobacco manufactured according to the contractual manufacturing principle are determined according to the agreement reached between tobacco products manufacturers and / or traders and the manufacturers and / or their representatives. The production tobaccos that are excluded from contractual manufacturing are bought and sold through the auction method at auction centers. The auction is opened with the starting prices and the tobacco is sold to the highest bidder and the price is registered.

In Turkey, those who want to produce tobacco products; must establish complete facilities equipped with the newest technology that have a yearly production capacity in one shift of two million units for cigarettes and no less than fifteen tons for other tobacco products with tobacco preparation sections included.⁽¹⁾

Those who fulfill these conditions may sell, price and distribute the tobacco products they produce freely. Those who want to produce and sell tobacco products in Turkey must obtain production, sales and / conformity certificates from the Authority.

On the condition that the tobacco bought from manufacturers are recorded at tobacco sales centers or the Authority, it may be internally bought, sold and transported and tobacco that is in accordance with the standards free to be exported. When broken and crumbling tobacco needs to be exported this is done with permission from the Authority.

Even if the objective is to export the tobacco after processing, tobacco importation may only be done by the tobacco products manufacturers specified in the second paragraph of this Article limited to what is needed for production.

No matter where the places of establishment of companies are throughout the country they must deliver the products on location. The tobacco products manufactured in Turkey are free to be exported.

Those who produce at least two billion units annually and at least fifteen tons annually for other tobacco products are free to import, set prices and sell as long as it is from the same brand. The principles and procedures concerning the import of cigarettes and other tobacco products by those who do not meet the annual production requirements stated in this article, setting the price for the imported tobacco products and marketing them domestically are determined by the Council of Ministers upon the proposal of the Authority. The determination and monitoring of the transactions concerning the conditions stated in this Article are carried out by the Authority.

(1) The phrase "complete facilities equipped with the newest technology" has been changed to integrated as per article 12 of the Law no. 4971 dated 1/8/2003; later the phrase "integrated" was changed back to "complete facilities equipped with the newest technology" as per article 47 of Law no. 5035 dated 25/12/2003 and incorporated in the text.

A certificate of conformity must be obtained from the Authority for the import of tobacco and tobacco products.

In order to be a tobacco expert in Turkey a diploma is required from a tobacco expertise higher education Authority or equivalent domestic or foreign school at the undergraduate level. Those who do not possess the title of tobacco expert may not perform tobacco purchase and sales inspections, determination of tobacco types, qualities and values, may not perform tobacco expertise for processing, maintenance and fabrication and may not be notified bodies or judges in the tobacco business. The duties, authorities and professional responsibilities of tobacco experts are organized by regulations issued by the Board.

Agricultural support

Article 7 – (Abrogated: 24/7/2008-5793/47 art.)

Penal provisions

Article 8 – (Amended: 3/4/2008-5752/3art.)

Other than those who produce cut rolling tobacco in amounts that do not exceed fifty kilos using their own production or those who produce fermented alcoholic beverages not exceeding three hundred fifty liters, anyone who processes tobacco or establishes and operates a factory, facility or manufacturing plant to produce tobacco products, ethyl alcohol, methanol or alcoholic beverages without obtaining a permit from the Authority will be sentenced from one to three years in prison and an administrative fine of from five thousand days to ten thousand days. Those who act in violation of the provisions of Article 6 second and third clauses and those who operate in a category that is outside of their permit will also be subject to the same penalty.

The following administrative sanctions shall be applied to real individuals and legal entities that produce, process, export or import, market, purchase or sell goods and services in the tobacco, tobacco products, ethyl alcohol, and methanol and spirits market:

a) An administrative fine from fifty thousand New Turkish Lira to two hundred and fifty thousand New Turkish Lira will be issued to those who do not submit sales or activity reports showing their commercial activities, information, certificates and samples that have been demanded by the Authority within the set period despite receiving written warning and those who submit wrong or fraudulent information or documents and refuse to open their facilities to inspection.

b) Those who do not register the tobacco they have bought from the manufacturer in the tobacco sales centers or the Authority, those who do not comply with the contract deadline, those who fail to report opening and closing to processing, tobacco inventory and tobacco storage on time, those who perform unauthorized non-standard treatment, those who allow unauthorized persons who do not have the qualifications of a tobacco expert as stipulated in this Law perform the work of tobacco experts and those who do not comply with their obligations within the scope of purchases and sales by contract and auction methods will be fined from ten thousand New Turkish Lira to fifty thousand New Turkish Lira in administrative fines. The penalty in this provision also applies to those who plant the seeds or seedlings of a tobacco special to a certain location in a place reserved for other types or transport them for this purpose.

c) Those who make changes in the main ingredients or product packaging without permission or without updating and supply the product to the market will be fined from fifty thousand New Turkish Lira up to five hundred thousand New Turkish Lira.

d) Those who perform project modifications in processing or production facilities, transfer the installed machinery in part or in whole to a new or old facility established by the same company, transfer it to another company or take it out of the country without the permission of the Authority or end operations without giving notification an administrative fine from processing or manufacturing facilities project within the scope of operations that the installation machinery in the country partly or wholly by the same company established a new or an old factory transports, another company switched off or out of the country issuing or without notice activity terminate will be given an administrative fine from fifty thousand New Turkish Lira up to five hundred thousand New Turkish Lira.

e) Those who supply alcoholic beverages in bulk to the market, deliver them or store them in various permitted locations without obtaining permission from the Authority or making a notification will be given an administrative fine of two hundred thousand New Turkish Liras.

f) The sellers of wholesale or retail tobacco products, ethyl alcohol, methanol or alcohol or open liquor vendors who buy products from individuals not certified by the Authority, or sell to such individuals or make sales in a location other than what is specified on their certificate will be given an administrative fine from one thousand New Turkish Lira to ten thousand New Turkish Lira.

g) Those who are not certified by the Authority but engaged in the wholesale selling of tobacco products, ethyl alcohol, methanol and alcoholic beverages will be given an administrative fine of fifty thousand New Turkish Lira; while those engaged the retail sale of these products will be given an administrative fine of five thousand New Turkish Liras.

h) Those engaged in the tobacco trade without receiving a permit from the Authority or without notice will be given an administrative fine of fifty thousand New Turkish Liras.

i) Those who produce or provide for sale (...) ⁽¹⁾ snuff, chewing, hookah tobacco leaves or cigarette papers or tubing without getting certificate of conformity from the Authority will be given an administrative fine of five thousand New Turkish Liras.

j) Those who explicitly sell or provide liquor even though they are not authorized or tamper with the supply packaging of tobacco products, ethyl alcohol, methanol and spirits or separate them before selling them will be given an administrative fine from one thousand New Turkish Lira to ten thousand New Turkish Lira.

k) Those who establish or operate a sales system using the internet, television, fax and telephone, electronic commerce tools or mail order to sell tobacco products or alcoholic beverages to consumers (...) ⁽²⁾ ; Unauthorized or Authority regulations breach to the internet, television, fax and telephone, electronic commerce tools or by mail order be given an administrative fine from twenty thousand New Turkish Lira to one hundred thousand New Turkish Lira. **(Additional second sentence: 13/2/2011-6111/175 art.)** If sales are done over the internet access will be blocked in accordance with the Law no. 5651 dated 4/5/2007 on the Regulation of Broadcasts on the Internet and Combating Crimes Committed Through the Use of Such Broadcasts and the provisions specified in this Law will apply in making this decision.

(1) The phrase “those who produce crushed rolling tobacco for commercial purposes and those who sell and provide them for sale” has been removed from the text as per Law 6111 article 175 dated 13/2/2011.

(2) The phrase “unauthorized or in a way that poses a violation to the Institute regulations” has been removed from the text as per Law 6111 article 175 dated 13/2/2011.

l) Those who arrange products in the sales shelves or stands and any kind of display unit in places that sell tobacco products or alcoholic beverages in a way that violates Authority regulations on advertisement and promotion or provides an advantage to any company will be given an administrative fine of thirty thousand New Turkish Lira.

m) Those who act in violation of the regulations that are placed by the Authority to prevent campaigns, promotions, advertising and introductions encouraging the use of tobacco products (...) ⁽¹⁾ will be given an administrative fine of thirty thousand New Turkish Lira.

n) Those who sell tobacco products (...) ⁽²⁾ in automatic vending machines or dispense such products with a bet or as a reward will be given an administrative fine from fifty thousand New Turkish Lira to two hundred fifty thousand New Turkish Lira if their actions do not constitute a crime.

o) **(Annex: 13/2/2011-6111/175 art.)** Those who produce, sell or supply for sale crushed rolling tobacco will be fined as follows corresponding to the amount of tobacco they sell or supply for sale;

250 TL for up to 50 kilograms.

500 TL from 50 to 100 kilograms (including 100 kilograms)

1,500 TL from 100 to 250 kilograms (including 250 kilograms)

3,000 TL from 250 to 500 kilograms (including 500 kilograms)

5,000 TL for over 500 kilograms

Other than the actions listed above, if it is determined that this and the Law No. 4250 or regulations enforced pursuant to these laws or the conditions in the certificates issued by the Authority have not been complied with, the relevant real individuals and legal entities are warned and given a suitable period in which to rectify the violation. The time allowed for each process is determined by the Authority. If the violation continues at the end of the given period or it is impossible to rectify the violation the certificates that have been issued by the Authority will be canceled without allowing any more time.

In the event of repeated actions, the administrative fines are doubled. If the actions specified in clause five sub-clause (c) are repeated the supply of the product subject to the tender will be banned for one year; if the actions described in sub-clauses (a), (b), (d), (e), (f), (j), (k), (l), (m) and (n) are repeated for a third time within five years of the first violation the documents are cancelled. If vendors whose sales certificates have been cancelled actively operate with third parties under the same business name or a different business at the place of work that is the subject of the cancelled sales certificate, the third parties who are registered under this business will not be able to apply for a new certificate for two years.

(1) *The phrase "or alcoholic beverages" in this clause has been removed as per article 6 of Law 6487 dated 24/5/2013.*

(2) *The phrase "or alcoholic beverages" in this clause has been removed as per article 6 of Law 6487 dated 24/5/2013.*

(Amendment in eighth clause: 13/2/2011-6111/175th art.) Those who have been sentenced with imprisonment because of violating this Law, Law no. 4250 or 5607 may not be issued any certificate concerning the markets which are regulated by the Authority and those that have been issued will be cancelled by the Authority. When a sentence issued by the court all certificates pertaining to operations will be suspended until the sentence is finalized. The producers or importers may be given an amount of banderoles, labels, holograms, stamps, seals and similar symbols in an amount that is deemed sufficient by the authorized officials until the end of the legal proceedings. If the actions in question are of a nature that disrupts public health or the security of the tobacco and alcohol market the authorized court may decide to suspend certificates throughout the legal proceedings depending on the existing evidence.

The local district authorities are authorized in taking administrative action against the actions that are specified in clause five, sub-clauses (f), (g), (h), (i) and (j) and to transfer ownership of all manner of properties that comprise the subject of these actions to the public. The Authority is authorized to issue administrative fines concerning all other actions that are written in other clauses. The administrative actions taken by local district authorities are forwarded to the Authority within fifteen days⁽¹⁾.

Legal action may be taken against such administrative sanctions issued pursuant to the provisions of this Act according to the Code of Administrative Procedure No. 2577 dated 6/1/1982. However the case is filed in the administrative court within fifteen days as of the date that the action is notified. The fact that a cancellation case has been filed in the Administrative Courts shall not prevent the sentence from being executed.

The Misdemeanor Law No. 5326 dated 03.30.2005 shall apply in any situations that are not provided for in this Law concerning Administrative action.

(Added clause: 28/3/2013-6455/31st art.) The Authority may monitor as a participant any public law suits that are filed against Real individuals and legal entities who produce, process, export or import, market, purchase or sell in the tobacco, tobacco products, ethyl alcohol, methanol and alcoholic beverages markets and their authorities concerning their operations. The Authority may file complaints concerning these issues as well as request action from legal and civil authorities in terms of the application of legislation.

(Added clause: 28/3/2013-6455/31st art.) The application of fines or administrative action according to this Law shall not prevent the application of penalties and injunctions in the other provisions of this Law and in other laws.

(Added clause: 28/3/2013-6455/31st art.) The appropriate allocation is made to the budget of the Ministry of Health to assist the Turkish Green Crescent Organization, not subject to the provision of article 29 in Law no. 5018, to combat addiction to all types of drugs, alcohol, tobacco and tobacco products.

Regulations

ARTICLE 9-A) 1) The working principles and procedures of the Board and what the members of the Board, the staff and their relatives cannot do,

2) **(Cancelled: By the Const. Court Decision E.:2002/32, K.:2003/100 dated 20/11/2003**

Are organized by the regulations that are issued by the Council of Ministers upon Board recommendation and

(1) After the phrase "and(j)" in this clause "with (o)" has been added as per article 175 of Law no. 6111 dated 13/2/2011.

B) the other procedures and principles concerning tobacco and tobacco products, alcohol and alcoholic beverages domestic and foreign trade, the permit and conditions for establishing a cigarette factory, determination of the technical properties for the goods that will be produced, the pricing distribution, sale and control of the products of companies that do not satisfy the production requirements, giving franchises, the purchase and sale of producers tobacco based on a written contract or by auction, technically determining the starting price of the auction, increasing the rate used in calculating the opening price by fifty percent taking into account the developments in Turkey and in the World and the application of the Spirits and Alcoholic Beverages Monopoly Law no. 4250 are organized by the regulations issued by the Authority.

Amended and abrogated provisions

ARTICLE 10 - A) The "Tobacco, Tobacco Products, Salt and Alcohol Enterprises General Directorate" in the "(B) Public Economic Organizations (PEO)" section in the annex of the Statutory Decree no. 233 dated 08.06.1984 was removed and added to the "(A) State Economic Enterprises (SEE)" section in the annex of the same Statutory Decree .

B) The below sentence has been added at the end of clause (C) of article 20 in the Law on Organizing Privatization Applications and Amending some Laws and Statutory Decrees no. 4046 dated 24.11.1994.

The provisions concerning general assembly meetings in the Turkish Commercial Code shall not apply for companies that are in the privatization program and have the status of a state-owned incorporated company.

C) The title of Article 27 in Law No. 4046 which was "Exemption" has been amended and the following clause has been added.

c) Companies in the privatization program are not charged for registering with the trade registry and the Capital Markets Board.

D) The phrase "the procedures and principles for the production, import and sale of tobacco and tobacco products and the salability of farmers tobacco on the stock market or with a written contract and" in the Law on Supporting Farmers Tobacco Sales Markets no 196 dated 01.02.1961, the Tobacco and Tobacco Monopoly Law no. 1177 dated 05.09.1969, the No. 1211 Republic of Turkey Central Bank Act numbered 3291 dated 28.05.1986, the Banks Act no. 3182, the no 2983 Law on Savings Incentives and the Acceleration of Public Investment, the Collective Housing Law no. 2985, the Law no. 3238 dated 11.07.1985, the Capital Market Law Amendment Law no. 2499, the Abrogation of Some Articles in the Tobacco and Tobacco Monopoly Law No. 1177 and clause one provision and clause two of article 17 in the Law on the Privatization of State-Owned Enterprises was abrogated.

Annexed Article 1- (Annex: 1/7/2006-5538/16th art.; Amendment: 3/4/2008-5752/6th art.)

In order to provide the necessary coordination in the application of this Law and prevent illegal actions, the Authority may create protocols with public organizations and institutions to conduct inspections on behalf of the Authority, apply administrative actions with a transfer of authority and issue sales certificates, and with professional organizations of a public organization nature to issue sales certificates.

Annexed Article 2- (Annex: 3/4/2008-5752/4th art.)

References made in the relevant legislation to the Tobacco, Tobacco Products and Alcoholic Beverages Market Regulation Authority are considered made to the Tobacco, Tobacco Products and Alcohol Market Regulation Authority; references made to the Tobacco, Tobacco Products and Alcoholic Beverages Market Regulation Board are considered made to the Tobacco, Tobacco Products and Alcohol Market Regulation Board.

Provisional Article 1) – A) After the General Directorate's completion of the privatization process, the authority to recommend a member for the Board in Article 2 of this Law passes from the Ministry that is relevant to the General Directorate to the Authority.

B) No support purchase is made for the tobacco products of 2002 and subsequent years. A public organization is appointed by the Council of Ministers to purchase the tobacco products of the years 2000 and 2001 on behalf of the State. The cost of purchasing and financing will be allocated from the budget and the inspections of the purchases will be done by the Supreme Audit Board.

The tobacco seedlings that have been planted in the locations that are not included in the districts where tobacco farming can be done freely by those whose names are written in the list that is annexed to the Law no. 1177 and fall outside of the identified and finalized regions of these districts for 2000 and 2001 products will be removed and destroyed. Perpetrators will be sentenced with up to three months in prisons and five hundred thousand lira for the square meter or surplus of seedling area that is planted and one hundred thousand lira per declare or surplus of fields that are planted in administrative fines. If the tobacco has been harvested not only will the tobacco be seized but one million liras in administrative fines per kilo and the surplus will be charged.

Those who plant in leaf tobacco production areas without a certificate or in spite of getting a certificate plant more than the specified area or in a location outside their registered area shall have their tobacco confiscated, be sentenced up to two months in prison and be charged an administrative fine that is 5 million lira per kilo and the surplus.

Producers who supply more than ten percent more or less of the tobacco that is determined for the leaf tobacco area without justification they will be penalized with an administrative fine of five hundred thousand lira per kilo or the surplus that is more or less than the set amount. Those who do not deliver any of the tobacco they produce will be fined double the amount above.

Those who have possession of transport or sell tobacco without a planting or trade certificate will have their tobacco and vehicles seized and be fined one million lira per kilo of tobacco and the surplus.

District authorities and other law enforcement agencies that do not fulfill the task of inspection that has been assigned to them will be fined ten million lira.

The application of the specified provisions in this Law no. 1177 which have been abrogated with the Law shall continue to be applied until the end of the year 2001 product promotion period.

C) In order to determine the personnel staff and qualifications to be employed in the Authority during the organization's formation stage a committee is formed with one representative each from the Ministry of Finance, the Privatization Administration, the Treasury, the Government Personnel Department and the General Directorate. The Committee meets in one month following the entry into force of this Law. All of the staff may be supplied from the personnel in relevant departments of the General Directorate if requested as such.

D) The Authority begins to operate within three months at the latest upon entry into force of this Law. During this time, the tasks that are assigned to the Authority by this Law shall be conducted by the General Directorate.

E) The processes concerning the transfer of moveable and immoveable properties and manner or equipment and devices to be taken over from the General Directorate by the Agency will be determined by protocols to be made between the Authority and General Directorate. The goods that are subject to transfer are free and related transactions are exempt from all taxes, duties and levies.

F) The rights of those who have documented that they are working as a tobacco expert on the date of publication of this law are reserved.

G) The minimum active production for cigarettes based on brand in clause seven of Article 6 which is specified as two billion units will continue to be two billion until the end of the first year after the date of entry into force of this Law, one billion eight hundred million units until the end of the second calendar year, one billion six hundred million units until the end of the third, one billion four hundred million units until the end of the fourth calendar year and one billion two hundred million units until the end of the fifth calendar year.

The measurement for actual production for other tobacco products which is at least fifteen tons will remain fifteen tons until the end of the first calendar years after the date of entry into force of this Law, fourteen tons until the end of the second calendar, thirteen tons until the end of the third year, twelve tons until the end of the fourth year and eleven tons until the end of the fifth year.

The Council of Ministers is authorized to reduce these measures which will apply as of the sixth year to zero and to determine the principles and procedures relating to the foreign trade of tobacco, tobacco products, alcohol and alcoholic beverages.

Provisional Article 2- (Annex: 24/7/2003-4955/1st art.)

Tobacco from the 2002 product farmer's tobacco which was produced without the contract specified in article 6 of this Law and could not be sold by auction as there were no interested buyers in the auction centers, can be purchased by the General Directorate on a one time basis for a price that is not lower than 50% of the opening price determined and notified by the Board.

Provisional Article 3- (Annex: 30/12/2004-5281 art.)

Tobacco from the 2003 product farmer's tobacco which was produced without the contract specified in article 6 of this Law or over the amount that was specified in the contract and could not be sold by auction as there were no interested buyers in the auction centers, can be purchased by the General Directorate on a one time basis for a price that is based on the opening price determined and notified by the Board and in the framework of an expert appraisal.

Provisional Article 4- (Annex: 23/3/2006-5478/1st art.)

In order to maintain the product supply throughout the country and secure the future of the tobacco varieties that are used in the mixture of cigarettes that are made of domestic tobacco, the Tobacco, Tobacco Products, Salt and Alcohol Operations Incorporated Company may sign a tobacco production and purchase-sale contract for the product years 2006 and 2007 on the condition of not exceeding the contracted amounts in contracts signed for 2005 products.

The surplus administrative inventories that are in the company's stock may be sold within the procedures and principles that are applied in the sale of support inventory tobacco.

The registration by the Authority of tobacco sales within the scope of article 6 of this Law, have the force of registration in the commercial stock exchanges in terms of income tax applications.

Provisional Article 5- (Annex: 3/4/2008-5752/5th art.)

As of the date that this article goes into effect the group chairman, sector expert, supervisory expert and organization expert at the Authority will be considered assigned to the expert staff while those whose staff and titles have not changed will be considered assigned to new staffs with the same title without the need for further processing. Those whose staff and position titles have changed or been removed will be assigned to staff formed by this Law corresponding to their level within three months. Until they are assigned to the new staffs these employees will continue to receive the same salary, additional fees, raises and other financial rights they were receiving in their last month. If the net amount of the salary and other financial rights they will receive at their new assignment is less than what they received in the last month of their previous assignment the difference will be paid as compensation until the difference is resolved as long as they remain in their assigned post without being subject to any kind of deduction. This difference is no longer paid when they voluntarily change the title they have been assigned or move to another institution.

Assistant experts who have succeeded in the sufficiency test and won the right to an expert title in the Authority but cannot be assigned as an expert shall be considered assigned to the expert staff as of the date that they are rewarded the title of expert.

The terms of service that have not been assessed in the determining of a monthly wage which is the basis for the Authority personnel's earned monthly wage and retirement deduction from 11/8/2004 until the date that this article goes into effect, shall be assessed in the determination of earned monthly wage degree and grades, on the condition of not exceeding the degree that can be achieved according to education status, taking into account articles 64 and 68 of the Government Employees Law No.657 and the provisions of the Law no. 5289 dated 2/2/2005 on Assigning a Degree to Civil Servants and Other Public Employees . Also personnel who have been assigned to staff requiring payment of office, representation or duty compensation will be considered placed in staff requiring payment of office, representation or duty compensation from 11/8/2004 to the date that this article goes into force.

Within six months as of the date that this article goes into force, on the condition of not exceeding the number of expert staff on the list (I) attached to this Law, individuals with the following qualities who meet the educational criteria for entering the assistant expert exam and have not completed forty years of age as of the application date may be assigned to the expert staff if successful in an interview with the Authority;

- a) Those who have joined the profession by passing a special competitive exam and been successful in a sufficiency test at the end of an on the job training course and are working in public organizations and institutes in the fields of tax, law, international relations, customs and foreign trade.
- b) Those who have completed their doctorate work in the fields of food and chemical engineering of the candidates who have worked in universities as research staff or teaching staff.
- c) Those who have worked in the General Directorate and affiliated institutions for at least 10 years, not to exceed five persons from the field of tobacco production, five persons from the field of leaf tobacco purchase and processing and five persons from the field of marketing.

Provisional Article 6-(Annex: 3/4/2008-5752/5th art.)

In order to maintain the product supply throughout the country and secure the future of the tobacco varieties that are used in the mixture of cigarettes that are made of domestic tobacco, the Tobacco, Tobacco Products, Salt and Alcohol Operations Incorporated Company will sign a tobacco production and purchase-sale contract for the product year 2008 on the condition of not exceeding the contracted amounts in contracts signed for 2007 products. The amount of tobacco that is to be purchased must not exceed more than 10% of the contracted amount signed with each producer.

The expenses necessary for the tobacco subject to the Tobacco Production and Purchase-Sale Contract to be signed like processing, transport, exterminating, maintenance and storage of the Company shall be provided from the amount that has been allocated for this purpose from the Treasury Undersecretary's 2009 year budget. If the tobacco that is purchased in this scope cannot be used or sold by the end of 2009 the resources required for the processing, transport, exterminating, maintenance and storage services for this tobacco is provided from the amount that is set aside in the Treasury Undersecretary's budget for this purpose.

The revenue that is earned from the sale of this tobacco is transferred to the treasury accounts to be recorded as income by the fifteenth day of the month following the collection of the payment by the Tobacco, Tobacco Products, Salt and Alcohol Operations Incorporated Company.

Tobacco that is to be bought as 2008 product may be sold according to the procedures and principles that are applied to the sale of support stock tobacco.

Inspection of the purchases that are to be made by the company in the scope of this article, the tobacco and the expenses made shall be conducted by the Superior Audit Committee.

Article 11 - This Law shall enter into force on the date of publication.

Article 12 - This Law shall be enforced by the Council of Ministers.

**PROVISIONS WHICH HAVE NOT BEEN INCORPORATED INTO THE LAW NO. 4733
DATED 3/1/2002**

1- Following is the provision of the Law no. 5398 dated 3/7/2005:

Provisional Article 2 – From the accumulated amounts of any income attained by the Istanbul Stock Exchange, the Radio and Television Supreme Council, the Competition Authority, the Capital Markets Board of Turkey, the Banking Regulation and Supervision Agency, the Telecommunications Authority, the Energy Market Regulatory Authority, the Public Procurement Agency and the Tobacco, Tobacco Products and Alcoholic Beverages Market Regulation Authority by 06.30.2005, the portion that is calculated for the institutions with the proposal of the Minister of Finance and the approval of the Prime Minister will be deposited into the account of the Ministry of Finance of the Central Audit Office located in the Central Bank of the Republic of Turkey to be recorded under the list marked (B). In addition, the aforementioned institutions and organizations that incur a surplus of cash until 31.12.2005 in their registers will also be transferred to the relevant account with their consent according to the principles set forth in this clause.

The aforementioned institutions and organizations will notify the revenues that have accumulated in their cash registers and the contents of their bank account until 30/6/2005 by 15/7/2005 and the financial information that shows monthly income and expenses, cash and bank deposits by the end of the seventh day of the next month to the Ministry of Finance. If the amounts that
Are mentioned in this article are not paid on time the unpaid amounts will be pursued and collected with the addition of a late fee according to the Law on the Procedure for Collection of Public Receivables no. 6183.

THE AUTHORITY: THE TOBACCO AND ALCOHOL MARKET REGULATION**AUTHORITY****STAFF TABLE**

CLASS	TITLE	STAFF DEGREE	NUMBER OF STAFF
GİH	Deputy Chairman	1	2
GİH	Prime Ministry Counsel	1	8
GİH	I. Legal Counsel	1	1
GİH	Department Head	1	10
GİH	Head Expert	1	25
GİH	Manager	1	5
GİH	Legal Counsel	1	5
GİH	Press and Public Relations Counsel 1		1
GİH	Expert	1	50
GİH	Expert	2	20
GİH	Expert	3	15
GİH	Expert	4	15
GİH	Expert	5	20
GİH	Expert	6	5
GİH	Expert	7	5
GİH	Assistant Expert	8	20
GİH	Assistant Expert	9	40
AH	Attorney	1	1
AH	Attorney	3	4
AH	Attorney	4	4
AH	Attorney	5	4
GİH	Programmer	1	1
GİH	Programmer	5	2
GİH	Solver	2	1
GİH	Solver	4	1
TH	Engineer	1	5
TH	Engineer	4	5
SH	Doctor	1	1
SH	Nurse	7	1
SH	Laborant	3	4
SH	Laborant	5	3
TH	Technician	2	1
GİH	Data Prep. And Control Op.	3	10
GİH	Data Prep. And Control Op.	4	4
GİH	Data Prep. And Control Op.	5	2
GİH	Data Prep. And Control Op.	6	3
GİH	Data Prep. And Control Op.	7	3
GİH	Data Prep. And Control Op.	8	3
GİH	Data Prep. And Control Op.	9	3
GİH	Driver	5	9
General Total			322

Refer to the Annexed table of Council of Ministers Decision No. 2010/873 dated 23/8/2010 published in the Official Newspaper no. 27721 dated 6/10/2010 and the Annexed table of Council of Ministers Decision No. 2012/2700 dated 10/1/2012 for the changes made in this table.

**LIST SHOWING THE DATE OF ENFORCEMENT OF THE LEGISLATION WHICH ADDS TO
AND AMENDS LAW NO. 4733 OR THE PROVISIONS THAT HAVE BEEN CANCELLED BY
THE CONSTITUTIONAL COURT**

Number of the Amending Law/ the Decision of the Constitutional Court Cancellation	The articles of Law 4733 that have been changed or amended	Date of Enforcement
4955	Temporary Article 2	30/7/2003
4971	6	15/8/2003
5035	6	2/1/2004
E:2002/32 and K:2003/100 numbered Decision of the Constitutional Court	9	11/8/2004
5281	Temporary Article 3	31/12/2004 to go into effect 1/1/2005
5398	Provision not able to be Processed	21/7/2005
5478	Temporary Article 4	28/3/2006
5538	Added Article 1	12/7/2006
5728	3, 8	8/2/2008
5752	Name of Law, 1, 2, 4, 4/A, Added Article 1,2 Temporary Article 5 and 6, Number (I) List	15/4/2008 15/5/2008
5793	8	
	7	6/8/2008
6111	8	25/2/2011
6455	8	11/4/2013
6487	8	11/6/2013