



## **New Regulation Governing Freight Forwarding in Turkey**

**Freight forwarding market in Turkey has been regulated by various governmental authorities up until 2019. Several licenses were required for different modes of transportation. The Freight Forwarders Regulation in Turkey, which is going to enter into force as of July 1<sup>st</sup>, 2019 seem to be the start of a new era.**

July 1<sup>st</sup>, 2019 marks a significant date for freight forwarding industry in Turkey. Freight forwarders who are going to provide their services in rail, road, sea and air transport modes altogether must obtain the Freight Forwarders Authorization License in order to be able to continue their activities. When the regulation was first announced to public via Turkish Official Gazette, the date of entry into force was specified as January 1<sup>st</sup>, 2019. However, the factors such as the floating currency rates and the unstable environment of Turkish economy generated the demand of a postponement; UTIKAD, through consultation with various representatives of both public and private sector, has taken necessary steps for the postponement of the date of entry into force and UTIKAD's initiatives are welcomed by the public administration.

### **One License to Carry Them All**

Each transportation mode in freight forwarding business used to require different types of certification according to previous practice in Turkey. The new legislation introduces only one license, namely the Freight Forwarders Authorization License, for freight forwarders who are going to do business in four different modes of transport and combined transport on the integration of these modes.

### **Conditions for Authorization License**

Freight forwarder companies applying for the authorization license can be both private and corporate companies. The requirements for these companies are specified below:

- Letter of application,
- Commercial register certificate received from chamber of commerce and/or industry,
- Registered Electronic Mail address for corporate companies,
- Commercial Registry Gazette samples of the company,
- Company capital or working capital of at least 300.000 TL,
- A workplace address for head office and/or branches,
- Bank receipt for the payment of certification fee,
- Senior Manager Certificate for at least one personnel and Mid-level Manager Certificate for at least two personnel at administrative level.



The documents will be handed over to the Ministry of Transport and Infrastructure, the Directorate General for Dangerous Goods and Combined Transport, or to the Regional Directorates for Transport. A notification will be sent to the applicant company after the documents have been approved by the administration. After the notification is received, the certification fee of 150.000 TL will be deposited to the account number specified in the notification within 10 days. After the whole process is completed and approved by the administration, the company will be entitled to receive the Freight Forwarders Authorization License. The license is valid for 5 years and it will be renewed for 5% of the current license fee in the year of renewal. Air freight forwarders, in addition to these requirements, need to have the Civil Aviation Authorized Agency License from Directorate General of Civil Aviation.

### **Exemption for Holders of FIATA Diploma in Freight Forwarding**

UTIKAD provides the FIATA Diploma in Freight Forwarding in Turkey since 2015. The globally well-known training program is officially recognized by the Ministry of Transport and Infrastructure in Turkey through the Freight Forwarders Regulation.

Whereas the 13<sup>th</sup> Article of the regulation makes each freight forwarder company liable to employ one director with "Senior Manager License" and two directors with "Mid-level Manager License", in accordance with the feedbacks provided by UTIKAD, the graduates of FIATA Diploma in Freight Forwarding are accepted to have either license.

### **Compulsory FFL Insurance for Freight Forwarders**

Another significant contribution provided by UTIKAD to the regulation is the compulsory Freight Forwarders Liability insurance for the transport operations carried out by freight forwarders. For transports organized and undertaken by the freight forwarder, a valid FFL insurance is required for liabilities arising out of forwarding activities in respect of customer's goods in forwarder's custody.

You can contact UTIKAD ([utikad@utikad.org.tr](mailto:utikad@utikad.org.tr)) for further information regarding the Freight Forwarders Regulation in Turkey.