

THE MARKET FOR REFURBISHED PRODUCTS IS EXPANDING

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As part of the Customs Union and trade integration efforts with the EU, the Ministry of Trade took an important step towards the expansion of the refurbished products market in Turkey. The "Regulation Amending the Regulation on the Sale of Refurbished Products", which entered into force on April 18, 2023, expanded the scope of electronic devices that can be refurbished and introduced new provisions on refurbishment centres.

One of the major markets in need of environmental regulation is the electronic devices market, known for its fast-paced changes and constant evolution. In this context, the European Union adopted the New Circular Economy Action Plan in 2020 and emphasized the importance of moving towards a "circular economy". Circular economy involves minimizing waste by recycling materials and resources and reintegrating them into the product cycle after use.

In Turkey, the Ministry of Trade began efforts to facilitate trade integration with the EU at the beginning of 2020 and published the "Green Deal Action Plan" in 2021. Through these initiatives, the EU and Turkey aim to enhance product sustainability and durability, and encourage practices such as recycling, reusing, and energy efficiency.

The Regulation on the Sale of Refurbished Products ("**Regulation**") laid down by the Ministry of Trade was an important step towards this goal. With the Regulation, refurbishment centres were set up to refurbish and certify used goods, and authorized for resale of these refurbished products. The Law on Consumer Protection ("**LCP**") was also amended to reflect the Regulation, as the Regulation's provisions were closely tied to consumers who would buy refurbished products.

The scope of products that may be subject to refurbishment under the Regulation was limited to mobile phones and tablets until April 18, 2023. With the amendment published and entered into force on this date, the scope has been expanded. Moreover, new provisions about refurbishment centres have been introduced. These amendments are detailed below.

1. The scope of products that may be subject to refurbishment:
 - The Regulation now also covers smart watches, computers, game consoles, and modems as products that may be subject to refurbishment.

- Refurbished products sold to be sold by means of distance communication must be categorized separately to distinguish them from other products.
- Used cell phones with a battery capacity below 85% must have their batteries replaced in order to be sold as refurbished products.
- It is now possible for a product to undergo multiple rounds of refurbishment.

2. Amendments on refurbishment centres:

- The amount of unpaid capital required for refurbishment centres to obtain an authorization certificate has been increased from TRY 10,000,000 to TRY 30,000,000.
- Refurbishment centres with a service place qualification certificate can now refurbish products without obtaining a separate authorization certificate.
- Refurbishment centres can establish branches to carry out all or some of the activities in the Regulation.
- Refurbishment centres may operate as one of the authorized service stations of the manufacturer or importer of the products they refurbish.

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