

TURKEY

Legal Provisions

Compiled by:

Swiss Business Hub Turkey

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GENERAL REMARKS

Turkey is a secular, unitary, formerly parliamentary republic which adopted a presidential system with a referendum in 2017; the new system came into effect with the presidential election in 2018. It is largely located in Western Asia, with the smaller portion of Eastern Thrace in Southeast Europe. Turkey is bordered by eight countries: Syria and Iraq to the south; Iran, Armenia, and the Azerbaijani exclave of Nakhichevan to the east; Georgia to the northeast; Bulgaria to the northwest; and Greece to the west. The Black Sea is to the north, the Mediterranean Sea to the south, and the Aegean Sea to the west. The Bosphorus, the Sea of Marmara, and the Dardanelles (which together form the Turkish Straits) demarcate the boundary between Thrace and Anatolia; they also separate Europe and Asia. Turkey's location at the crossroads of Europe and Asia makes it a country of significant geostrategic importance.

Turkey is a member of various international political, economic and military organisations including the Council of Europe, the Organisation for Economic Co-operation and Development (OECD), the International Bank for Reconstruction and Development (World Bank), International Monetary Fund (IMF), Black Sea Economic Co-operation Zone (BSEC),), North Atlantic Treaty Organisation (NATO), The Organization for Security and Co-operation in Europe (OSCE), Organization of the Islamic Cooperation (OIC).

Turkey was granted candidate status to the EU in December 1999. The Accession Partnership was approved by the EU Council in February 2001. On October 6, 2004, the EU Commission recommended to start negotiations with Turkey for full membership. As a result, in December 17, 2004, the European Council decided to start accession talks with Turkey on October 3, 2005. The official negotiations have been started and the process covers 35 chapters in different fields.

CUSTOMS

A Customs Union came into force on 31 December 1995. The Customs Union covers all industrial goods but does not address agriculture (except processed agricultural products), services or public procurement. Bilateral trade concessions apply to agricultural products.

http://www.avrupa.info.tr/fileadmin/Content/Downloads/PDF/Custom_Union_des_ENG.pdf

In addition to providing for a common external tariff for the products covered, the Customs Union foresees that Turkey is to align to the *acquis communautaire* in several essential internal market areas, notably with regard to industrial standards.

Following the Commission's proposal on "extending and deepening" the Customs Union, in November 1996 the Council agreed to negotiating guidelines on the liberalisation of services and public procurement between the EU and Turkey. Negotiations were, however, suspended in 2002.

In December 2016, the Commission proposed to modernise the Customs Union and to further extend the bilateral trade relations to areas such as services, public procurement and sustainable development. The Commission proposal was based on comprehensive preparatory work throughout 2016 which included a public consultation with stakeholders, a detailed Impact Assessment and also a study by an external consultant. The Commission's proposal is currently being discussed in Council.

Turkey is the EU's 4th largest export market and 5th largest provider of imports. The EU is by far Turkey's number one import and export partner.

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Please refer to

- <http://trade.ec.europa.eu/doclib/press/index.cfm?id=1307>

In addition to the Custom Union with the EU, Turkey has signed Free Trade Agreements with the European Free Trade Association (EFTA) countries in 1991. Moreover, Turkey finalised free trade agreements with many European, North African and Middle East countries¹.

The legal framework of the economic relations between Switzerland and Turkey are the following arrangements:

¹ Please visit <http://www.dtm.gov.tr> to see the final status of the free trade agreements.

- Trade Agreement (entered into force on 13.10.1930)
- Agreement on the Organisation of Commercial Exchange and Payments (entered into force on 28.03.1942)
- Agreement on the Reciprocal Promotion and Protection of Investment (entered into force on 03.03.1988)

- Free Trade Agreement EFTA-TURKEY (entered into force on 10.12.1991).
- Memorandum of Understanding of Joint Economic Commission (KEK) (signed on 06.02.2001)
- Memorandum of Understanding on High Level Commercial and Economical Consultation between the Government of Republic of Turkey and the Government of Swiss Confederation (signed on 28.01.2002).
- Agreement on the Avoidance of Double Taxation with Respect to Taxes on Income and Property. The agreement has been signed on May 20 in Bern. It is going to be in force after its ratification by both countries' competent authorities by 2009.
- MoU in Energy Cooperation (2009)
- - EFTA Protocol E (Mutual Recognition of Conformity Assessment of Products) (2011)
- Avoidance of Double Taxation Agreement (to implemented as of 01/2013)
- Free Trade Agreement EFTA-TURKEY (signed on 25.07.2018)

Please refer to

- Ministry of Foreign Affairs www.mfa.gov.tr for more information on the Turkish foreign policy
- The Secretariat General for EU Affairs (www.abgs.gov.tr) and the Delegation of the European Commission to Turkey (www.avrupa.info.tr) for the Turkey-EU relations.

IMPORT AND EXPORT REGULATIONS

Import Regulation

Except for the goods carried by vehicles passing through the inland waters or airspace of the Customs Territory of Turkey without stopping, a summary declaration is submitted for the goods brought into the Customs Territory of Turkey. Summary declaration is submitted before the goods arrive the Customs Territory of Turkey.

Goods arriving the Customs Territory of Turkey are presented to the customs by the bearer person or, in different circumstances, by the person who assumes responsibility for the carriage following the arrival of the goods. The person presenting the goods to the customs shall associate these goods to the summary declaration or customs declaration that are submitted previously.

Goods that are presented to the customs administrations are assigned a customs-approved treatment or use.

After setting a customs-approved treatment or use to the goods covered by the summary declaration, transactions related to them are completed; within 45 days from the submission date of the summary declaration

for the goods arriving by sea, within 20 days from the submission date of the summary declaration for the goods coming through other ways.

Goods have the status of temporarily stored goods until they are made subject to customs-approved treatment or use following their submission to the customs, and are identified in this context. Temporarily stored goods can just be stored in the places approved by the customs authorities through complying with the conditions determined by these authorities.

Assignment of a customs-approved treatment or use to goods refer to one of these transactions, such as subjection to a customs regime, entry into a free zone, re-exportation outside the Customs Territory of Turkey, destruction, or abandonment to the customs.

Goods that are intended to be made subject to a customs regime shall be declared to the competent customs authorities in accordance with this regime. Customs declaration can be made in written form, through computer data processing technique, orally or by any other act that expresses the willingness of the owner of these goods to make subject them to a customs regime.

In normal procedure, written statement is made by a customs declaration. Declaration of release for free circulation refers to the declaration presented by the person who is intended to conduct the import of the commercial goods. That said, the declaration is required to be made through computer data processing technique.

Customs duties born from the importation of goods shall be notified to the declarant via the declaration of release for free circulation, and the permit and conformity certificates that are required in accordance with other foreign trade legislation in the context of the due commercial policy measures need to be added to the declaration of release for free circulation.

in order to start the procedures for the goods that would be imported (i.e. to learn the due taxes or the documents that would be submitted to the customs administrations), customs tariff statistics position of the issued goods, which are classified in the annually enacted Turkish Customs Tariff Schedule, has to be known.

The taxes on the imported goods that are stated below do not exist in any legislation all together.

Customs duty: Customs duty is determined by the Import Regime, which is published by the Ministry of Economy in the Turkish Official Gazette on the 31st of December and enters into force on the 1st of January of the subsequent year. The following lists of the Import Regime cover the related goods that are stated below:

List No. I; agricultural products.

List No. II; industrial products.

List No. III; processed agricultural products.

List No. IV; fish and other fisheries.

List No. V; some industrial raw materials or intermediate goods (some chemicals, micro-electronics, etc.) that are not produced in the EU, within the scope of the Suspension List which is in effect in the EU.

List No. VI: From the goods that are located in this list, only to the items identified in the column of items name, customs duty is applied as 0% provided that they would be utilized in civil aircraft, and in this case the provisions of the customs legislation for the eventual use are applied.

Value Added Tax: The goods that are covered;

In the List No.1 are applied 1%,

In the List No. 2 are applied 8% of VAT.

Goods that are not included in these lists are generally subject to 18% of VAT.

Excise Tax: The excise tax that would paid during the import process is determined by the additional lists of the Excise Tax Law, which are mentioned below.

List No. I covers fuels and oils,

List No. II covers vehicles,

List No. III covers alcoholic drinks and tobacco products,

List No. IV covers electronic goods, cosmetics and various products.

Resource Utilization Support Fund: 6% of the funds is derived from the import with acceptance credit, deferred letter of credit, and cash on delivery.

Since none of the taxes levied on imports is determined by the Ministry of Customs and Trade, the questions about customs duty, housing development fund, anti-dumping tax, subsidies and additional financial liability have to be directed towards the Ministry of Economy; the questions about VAT and Excise Tax have to directed towards the Turkish Revenue Administration; the questions about the cuts of literary and artistic works have to be directed towards the Ministry of Culture and Tourism, and the questions related to the TRT Bandrole have to be directed towards TRT.

Turkey is a member of the GAAT/WTO and regulates its customs in line with the GATT requirements. Consistent with WTO commitments, Turkey maintains high border protection on many agricultural goods and food products. The existing import regime has been in force since 2012. The Import Regime of 2012, reflecting both Turkey's international rights and obligations and the country's economic needs, has been prepared by taking into account the agreement establishing the World Trade Organization (WTO), the Customs Union Agreement between Turkey and the European Union, the free trade agreements signed with various countries, the preferential treatments granted by Turkey to the least developed countries and some developing countries within the framework of generalized system of preferences and also the specific needs and requirements of the agricultural and industrial sectors.

The Import Regime for the year 2012 is published in the Official Gazette No. 28159 (bis) dated 31 December 2011 and entered into force on 1 January 2012:

- (<http://www.resmigazete.gov.tr/main.aspx?home=http://www.resmigazete.gov.tr/eskiler/2011/12/20111231m1.htm&main=http://www.resmigazete.gov.tr/eskiler/2011/12/20111231m1.htm>)

The consolidated version of the Turkish Import Regime with all the amendments made since 1995, on the other hand, can be reached [here](#).

Along with the Lists of products and Annexes associated with those Lists, the Import Communications are also important components of the Import Regime.

The Ministry of Economy regulates and monitors the imports of certain goods on grounds of public morality, public policy or public security; protection of health and life of humans, animals or plants or protection of industrial and commercial property; protection of environment; consumer rights as well as import policies in force. These grounds also include a number of international agreements and conventions to which Turkey is a Party

To this end, within the context of the Turkish Import Regime, the Ministry introduces Import Communications in which the procedures and documentation required during the imports of certain goods are laid down.

- 2012 Import Regime includes 19 Import Communications, namely
- 2012/ 1 Communication on international fairs in Turkey
- 2012/ 2 Communication on imports of war weapons and parts thereof
- 2012/ 3 Communication on imports of radioactive substances and apparatus using such substances
- 2012/ 4 Communication on imports of high intensity sweeteners
- 2012/ 5 Communication on imports of maps and similar documents
- 2012/ 6 Communication on products which can only be imported with a guarantee certificate
- 2012/ 7 Communication on imports of motor vehicles
- 2012/ 8 Communication on imports of products used in civil air crafts
- 2012/ 9 Communication on imports of used or renovated goods
- 2012/10 Communication on imports of bank notes and similar commercial papers
- 2012/11 Communication on imports of some explosive substances, fire guns, knives and similar articles
- 2012/12 Communication on the registration of end-use certificates for dual-use goods and technologies
- 2012/13 Communication on imports of some products which affect workers' health and work security
- 2012/14 Communication on imports of ozone depleting substances
- 2012/15 Communication on the surveillance of certain textile and apparel products
- 2012/16 Communication on imports of fertilizers
- 2012/17 Communication on imports of substances listed in the annexes to the Convention on the Control of Chemical Weapons
- 2012/18 Communication on products of which the customs duties will be suspended
- 2012/19 Communication on the generalized system of preferences

Export Regulations

Turkey has been implementing an export-oriented strategy since 1980. The basic objective of this strategy is to constitute an outward oriented economic structure in the framework of free market economy and to be integrated with world markets.

The Export Regime regulates general rules and principle of merchandise export, inward and outward processing activities, strategies for the export supports, export development and promotion activities, transit trade.

The Export Regime Decree is prepared by taking into account of Turkey's rights and obligations stemming from WTO as well as the Turkey's commitments in the frame work of Customs Union between EU and Turkey.

More information about Turkey's import & export regime can be obtained from the website of the Ministry of Economy (<http://www.economy.gov.tr>). The import & export regime of Turkey is managed by this government body in coordination with the Ministry of Customs and Trade (<http://www.gtb.gov.tr/>).

CURRENCY REGULATIONS

The Turkish [Lira](#) (Currency sign: ₺; Turkish: Türk lirası) is the currency of [Turkey](#) and the [Turkish Republic of Northern Cyprus](#) (recognised only by Turkey).

Turkey's monetary unit the Turkish Lira (TL) was replaced by the New Turkish Lira (YTL) as of 01.01.2005 and six zeros were dropped from TL (1 YTL = 1'000'000). At the same time, the Government introduced two new banknotes called TRY100 and TRY50 Old TL banknotes were withdrawn from circulation as of 01.01.2006. The Central Bank converts them to new banknotes for a period of 10 years.

In the transition period between January 2005 and December 2008, the second Turkish lira was officially called *Yeni Türk Lirası* (New Turkish lira). It was officially abbreviated "YTL" and subdivided into 100 new *kuruş* (*yeni kuruş*). Starting in January 2009, the "new" marking was removed from the second Turkish lira, its official name becoming just "Turkish lira" again, abbreviated "TL".

All obverse sides of current banknotes and reverse sides of current coins have portraits of Mustafa Kemal Atatürk.

The exchange rates are freely determined in the market, while the Central Bank (www.tcmb.gov.tr) might intervene in the market through buying and selling large amounts in case of high volatility in the market. Banks authorised to deal in foreign currencies may buy and sell at rates that are freely defined according to market conditions. Foreign investors are free to convert and repatriate their Turkish Lira profits.

REGISTRATION PROCEDURE FOR PRODUCTS

The 1996 Turkish import regime abolished the requirement that every importer needs an import license and that the importer must obtain an import authorization from a bank. An importer only needs a tax number to import all

but restricted items, including firearms, hazardous materials, and other products that can be imported by authorized establishments only or for which approval from the Directorate General of Security is required. Before December 2011, the majority of food and non-food imports required a "Control Certificate," which is an import license indicating whether or not the product is eligible for import. In accordance with the import regime enacted in December 2011, Control Certificates are required only for animals, animal products, and certain plants such as seeds, seedlings, saplings and flower bulbs.

The import permission certificates for agricultural goods, animals and animal goods are issued by the General Directorate of Protection and Control under the Ministry of Agriculture and Rural Affairs (www.kkgm.gov.tr). The certificates for pharmaceuticals and chemicals used to produce medicines and medical products are given by the Ministry of Health (www.saglik.gov.tr). Import permits for products that requires after sales service are obtained from the Ministry of Industry and Trade (www.sanayi.gov.tr). Precious metals (gold, silver, etc.) can only be imported by the members of the Istanbul Gold Exchange (www.iab.gov.tr).

The documentation procedures follow the EU system. All commercial shipments must be accompanied by a customs declaration form, a commercial invoice, a certificate of origin and a bill of lading or airway bill, depending on the shipment method. Two types of movement certificates are used; A.TR for the imports from the EU countries and EUR.1 for the imports from the EFTA countries.

All packages, cases and bales must bear shipping marks, numbers, dimensions and the gross weight of the merchandise. Packages and the bills of lading that are to be shipped through Turkey should be marked "in transit".

Inward Processing: A material can be temporarily imported to Turkey without duties and taxes if it is to be used in the production of a product that is to be exported. The aim of the inward processing application is to enable the exporters to supply materials for the production of their exports, without being subject to customs taxes (including VAT). The maximum time for inward processing is 12 months. The permission is given by the UFT.

Temporary Importation Regime (TIR): The main principle of this regime is to allow the goods for use in Turkey for a certain time period (3 to 24 months depending on the product type) and then re-export them. The goods will not be subjected to any change except for the normal depreciation. The permission for TIR is assigned by the Ministry of Customs and Trade (<http://www.gtb.gov.tr/>).

ATA carnet is also used for goods temporarily imported into Turkey. With the carnet, goods like commercial samples, goods intended for use at trade shows and exhibitions, professional equipment, etc. may be imported without paying any duties and taxes. Carnets are valid for one year and may be used for multiple exits and entries to countries that accept the Carnet.

Outward Processing: The main principle of the system is to allow goods that are in free-circulation to be exported out of Turkey for a processing operation. The goods when they come back to Turkey are released for free

circulation with total or partial relief from import duties. If the goods are processed when they are temporarily exported, then customs duties are charged for the processed portion.

According to the Turkish Customs Regulations, imports of certain goods such as; narcotics, some dyes, gambling machines and equipment, etc. are prohibited. Also, imports in the context of Vienna Convention on Protection of Ozone Layer and its protocols are prohibited. A list of prohibited or restricted products can be viewed at <http://www.gtb.gov.tr/>.

Importation of some other products are not prohibited, but restricted if they do not meet the requirements set to protect humans, animals and the environment. For example, importation of electronic devices is not prohibited; however, if these devices are not compliant with the technical standards established by Turkish Standards Institute (www.tse.gov.tr), they may not be imported. Similarly, food products that are not compliant with the requirements set by the Ministry of Food, Agriculture and Livestock, cannot be imported into Turkey.

Regarding the pharmaceuticals, in general, the Ministry of Health provides protection for confidential test data submitted in support of applications to market pharmaceutical products in Turkey.

The Turkish Pharmaceutical and Medical Device Institution, within the Ministry of Health, is responsible for granting licenses to pharmaceutical products. These licenses are granted under the Licensing Regulation on Human Medicinal Products ("Licensing Regulation"), which outlines the documents and information required. Licenses from the Ministry include permission to import the pharmaceutical product into Turkey.

Overall Turkey has aligned its legislations with the EU regulation to a large extent. Although the administrative capacity improved, it is still poor and effective enforcement of the legislation is overall insufficient. The legal system in Turkey protects and facilitates acquisition and disposal of property rights. However, the fight against infringement of laws is insufficient and functioning of the judicial system is slow. The counterfeiting and piracy are still major concerns of trademark holders.

The responsible body in Turkey for the registration of patents, trade marks and copyrights is the Turkish Patent Institute (TPI) (www.turkpatent.gov.tr). The TPI is 20th member of the European Patent Convention (EPC).

Patents can be registered by applying to the TPI directly or the Patent Co-operation Treaty (PCT). A patent granted without full examination is valid for 7 years from the date of application. If a full examination is conducted the patent is protected for 20 years. An invention that is protected by a patent must be used within 3 years from the date patent right has been announced.

A registered trade mark is protected for 10 years upon filling the application and is renewable for further ten-year period. If a trade mark or a well-known brand is not used in Turkey for 5 consecutive years and the owners gives no good reason for the lack of use, it loses its protection.

STANDARDS, TECHNICAL RULES, LABELLING REGULATIONS

Packages along with accompanying bills of lading for goods to be shipped through Turkey must be marked "In Transit." All goods entering Istanbul or any other entry port in Turkey (Ankara, Iskenderun, Izmir, Antalya, Mersin, Sinop, Samsun, and Trabzon) will be cleared through customs, and full payment of duty will be required unless the packages and bills of lading are marked "In Transit." Goods marked "In Transit" may be cleared for entry and reshipment.

For certain goods, specific labels might be needed, i.e., some products might need to be cleared by the Ministry of Agriculture and Forestry, and some by the Turkish Standards Institute (TSE). Information that needs to be posted on the labels are announced on websites of the relevant institutions.

Although Turkey is not an EU member, it has fully implemented many of the European CE marking directives.

The TSE, Turkish Cement Manufacturers' Association (TCMA; <http://www.tcma.org.tr/ENG/>) and Türk Loydu (<http://www.turkloydu.org/tr-tr/anasayfa.aspx>)

TAXES

Turkey has one of the most competitive corporate tax rates in the OECD region. The Corporate Tax Law No. 5520 that was enacted on June 21, 2006 made some important amendments to the current applications and also included new concepts in the tax legislation. With the new Corporate Tax Law in place, Turkish corporate tax legislation now has noticeably clearer, more objective and better harmonized provisions which are in line with international standards.

Turkish tax regime can be classified under three main headings:

- Income Taxes
- Taxes on Expenditure
- Taxes on Wealth

Income Taxes

Turkish tax system includes two main income taxes; namely individual income tax and corporate income tax. Although individual income tax and corporate income tax are governed by different laws, many rules and provisions pursuant to individual income tax also apply to corporations, particularly in terms of income elements and determination of net income.

1. Individual Income Tax

Real persons' income is subject to individual income tax. The income is defined as the net amount of all earnings and revenues derived by an individual within a single calendar year. As per the Income Tax Law, income may consist of the elements listed below:

- Business profits
- Agricultural profits
- Salaries and wages
- Income from independent personal services
- Income from immovable property and rights (rental income)
- Income from movable property (income from capital investment)
- Other income and earnings

According to the Turkish Tax Legislation, there are two main types of tax statuses regulated on the basis of residence: resident taxpayers, and non-resident taxpayers. Resident taxpayers (those who reside in Turkey, and those who spend more than a continuous period of six months in Turkey within a calendar year) are taxed on their earnings and incomes derived in and outside Turkey, whereas non-residents (those who do not reside in Turkey and those who do not spend more than a continuous period of six months in Turkey within a calendar year) are taxed only on their earnings and incomes derived in Turkey.

The individual income tax rate varies from 15% to 35%.

2. Corporate Income Taxes

In case income elements specified in the Income Tax Law are derived by corporations, taxation is applicable for the legal entities of these corporations. Corporate taxpayers defined in the law are as follows:

- Capital companies
- Cooperatives
- Public economic enterprises
- Economic enterprises owned by associations and foundations
- Joint ventures

Corporations with legal or business centers located in Turkey, are qualified as residents and subject to tax on their income derived in Turkey and other countries. If both the legal and business centers are not located in Turkey, then these corporations are qualified as non-residents and subject to tax only on their income derived in Turkey. The legal center is the place stipulated in the Articles of Association or incorporation law of corporations that are subject to tax, while the business center is defined as the place where business activities are concentrated and managed.

In Turkey, the corporate income tax rate levied on business profits is 22%.

Resident corporations are subject to a 15% withholding tax when dividends are paid out to shareholders; however, dividends paid by resident corporations to resident corporations are not subject to withholding tax. As a share capital increase by the corporation using the retained earnings is not considered to be a dividend distribution, no withholding tax for dividends applies. Similarly, non-resident corporations are subject to a 15%

withholding tax during remittance of such profits to the headquarters. The withholding tax is applied on the amount after the deduction of corporate income tax from taxable branch profits.

The standard VAT rate is 18% but reduced rates are applied to different product categories (8% to textile goods, basic foods, books and publications, hotel accommodation, 1% to financial leasing, used cars, agricultural commodities and newspapers). The VAT can be deductible or refunded in some cases. In the case of imports, the VAT that is paid can be offset against output VAT if the import transaction is directly related to the business activity. The importer is responsible for paying the VAT. The VAT is calculated on a CIF basis plus duty rate and any other applicable charges levied before the goods clear customs.

Taxpayers who delivered goods and/or services that fall within the scope of VAT-exempt categories (specifically exports, mining explorations, transport services and diplomatic exemptions) are allowed to deduct VAT paid in the generation of such goods and services. Where such deduction is not possible, the subject tax can be refunded later to the taxpayer.

Special consumption tax (ÖTV) is also levied for certain goods on the delivery, first acquisition or imports of different kinds of goods determined in different kinds of lists.

Capital goods, some raw materials, imports by government agencies and state owned enterprises and products for investments with incentive certificates are exempt from import fees.

In addition, a number of relieves and concessions are available to local companies importing goods to be used in their exports under the inward processing certificate.

More information about Turkish tax system and recent news about applications as well as import fees can be obtained by visiting <http://www.vergiportali.com>, <http://www.maliye.gov.tr> (Ministry of Finance) and <http://www.gtb.gov.tr/> (Ministry of Customs and Trade).

COMMERCIAL LAW

The business activities are subject to a number of laws and regulations managed by different authorities. Some of the laws and responsible bodies from their applications that are important for commercial and business life in Turkey are as follows:

- In 2003, Turkey passed legislation to ensure equal treatment between domestic and foreign investors and to protect the rights of foreign investors (Foreign Direct Investment Law, No.4875)
- The new Turkish Commercial Code (TCC) came into effect as of 1st July 2012. Together with amendments to that Code - which became effective on the same day – and regulations to complete the new law many changes were done
- The purpose was to bring Turkish Commercial Law to international standards and align with EU-LAW

SETTING UP COMPANIES

Individuals or legal entities can set up companies in the form of joint stock (AŞ), limited (Ltd.), branch or partnership. There are no permission and/or approval and minimum capital requirements for foreign investors. However, according to the local regulations, there is a minimum capital requirement for different type of companies irrespective of investor's nationality. The establishment of a liaison office is possible by a foreign investor, provided that it does not involve in any kind of commercial activity.

In addition to these, Swiss companies wishing to trade in Turkey could also consider:

- Agents
- Distributors etc.

All companies must be registered with the Trade Registry Office and announcement at the Trade Registry Gazette (to have more information about general steps to be followed to set up a company, please visit www.treasury.gov.tr).

JOINT VENTURE OPPORTUNITIES

In line with continuous commercial growth in Turkey, it seems joint ventures will never lose their popularity. Under Turkish law, joint ventures may be formed in two different ways: as a commercial company pursuant to the Turkish Commercial Law or as an ordinary (simple) partnership under the Turkish Code of Obligations.

It is possible to establish joint ventures between legal entities and/or individuals to complete a certain project in a specified time according to a contract. One of the partners to a joint venture must be a company that is subject to corporation tax. Joint ventures are separately subject to corporation tax (if preferred), VAT and withholding tax, but they do not have legal personalities and therefore do not have ownership rights.

According to the Foreign Investment Law, joint ventures, consortiums and other partnerships that do not fall within the scope of any form of legal entity defined under Turkish Commercial Code can be established by foreign investors but will be deemed as ordinary partnerships formed under the Code of Obligations.

PROMOTION OF INVESTMENT

The Republic of Turkey Prime Ministry Investment Support and Promotion Agency (ISPAT) is the official organization for promoting Turkey's investment opportunities to the global business community and providing assistance to investors before, during and after their entry into Turkey. ISPAT is in charge of encouraging investments that are needed for the further economic development of Turkey. To this end, ISPAT supports high-technology, value-added, and employment-generating investments with its facilitation and follow-up services during whole processes of relevant investments.

Active on a global scale, ISPAT operates with a network of local consultants based in countries such as Canada, China, France, Germany, India, Italy, Japan, Saudi Arabia, Singapore, South Korea, Spain, the UAE, the UK, and the USA. ISPAT offers an extensive range of services to investors through a one-stop-shop approach, ensuring that they obtain optimal results from their investments in Turkey. ISPAT's team of professionals can assist investors in a variety of languages, including Arabic, Chinese, English, French, German, Italian, Japanese, and Spanish.

ISPAT serves as a reference point for international investors and as a point of contact for all institutions engaged in promoting and attracting investments at national, regional and local levels.

The new investment incentives scheme is specifically designed to encourage investments with the potential to reduce dependency on the importation of intermediate goods vital to the country's strategic sectors. Amongst the primary objectives of the new investment incentives scheme are: reduce the current account deficit; boost investment support for lesser developed regions; increase the level of support instruments; promote clustering activities; and to support investments that will create the transfer of technology.

Effective as of January 1, 2012, the new investment incentives system (local and foreign investors have equal access to) has been comprised of [four different schemes](#).

ENTRY CONDITIONS, WORK PERMITS, RESIDENCE PERMITS, LABOUR LAW

A valid passport is required to enter the country. Visa requirement and validity period would differ for various countries. Swiss citizens holding ordinary passport are exempt from visa for the first three months of their stay. More information on visa can be obtained from the web page of the Ministry of Foreign Affairs (www.mfa.gov.tr).

Foreign nationals to be employed in Turkey need work permit to work and reside in Turkey. Work permits are granted by the Ministry of Labour (www.calisma.gov.tr). A foreign individual should have qualifications that are not available in the local labour market in order to secure a work permit.

After obtaining a work permit, the individual should apply to the Turkish Embassy in the home country in order to have a working visa. After receiving working visa, the residence permit application is submitted to the Ministry of Internal Affairs (www.icisleri.gov.tr) together with the work permit and working visa. The annoying bureaucratic procedures, however, make all the process difficult.

There are no special restrictions on freedom of movement within Turkey for foreigners, but they must carry their residence permits at all times.

Turkey has signed many international Labour Organisation (ILO) conventions protecting workers' rights. The new labour law (No: 4857) has made important alterations to the previous law in order to be in conformity with international regulations of the ILO and the EU.

PROCEDURES FOR COLLECTING PAYMENT

There are factoring companies operating in the financial market for collecting payments
(<http://www.fkb.org.tr/home-page/>)

SOURCES OF INFORMATION AND LINKS

TRADE ASSOCIATIONS

Republic of Turkey Prime Ministry Undersecretariat of Treasury	T.C. Başbakanlık Hazine Müsteşarlığı İnönü Bulvarı No:36 06510 Emek/ANKARA Phone: + 90 312 204 67 11 Fax: + 90 312 204 67 14 Website: https://www.hazine.gov.tr http://www.treasury.gov.tr
Republic of Turkey Prime Ministry Investment Support and Promotion Agency (ISPAT)	T.C. Basbakanlik Türkiye Yatirim Destek ve Tanitim Ajansi Headquarter: Kavaklıdere Mahallesi Akay Caddesi No:5 06640 Çankaya/ANKARA Phone: +90 312 413 89 00 Fax: +90 312 413 89 01 Website: http://www.invest.gov.tr Office: Muallim Naci Caddesi No:73 Beşiktaş/İSTANBUL 34347 Phone: +90 212 468 69 00 Fax: +90 212 468 69 69
Central Bank of the Republic of Turkey (TCMB)	Türkiye Cumhuriyet Merkez Bankası İdare Merkezi Anafartalar Mah. İstiklal Cad. No:10 06050 Ulus Altındağ Ankara Phone: +90 312 507 50 00 Fax: +90 312 507 56 40 Website: http://www.tcmb.gov.tr
Export Development Center (IGEME)	İhracatı Geliştirme Merkezi Balmumcu Mah. Barbaros Bulvarı No 68 / 9 Beşiktaş – İstanbul / Türkiye

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COMCEC Coordination Office (ISEDAK)	<p>İslam İşbirliği Teşkilatı Ekonomik ve Ticari İşbirliği Daimi Komitesi Necatibey Cad. No:110/A 06580 Cankaya/ANKARA</p> <p>Phone: +90 312 294 57 10 – 294 57 30 Fax: +90 312 294 57 77 Website: http://www.comcec.org</p>
Capital Markets Board of Turkey (SPK)	<p>T.C. Basbakanlik Sermaye Piyasası Kurulu Headquarter: Eskisehir Yolu 8.Km No: 156 06530 ANKARA</p> <p>Phone: +90 312 292 90 90 Fax: +90 312 292 90 00 Website: http://www.spk.gov.tr</p> <p>ISTANBUL Office: Harbiye Mah. Asker Ocağı Cad. No:15 Süzer Plaza 34367 Şişli /ISTANBUL</p> <p>Phone: +90 212 334 55 00 Fax: +90 212 334 56 00 Website: http://www.spk.gov.tr</p>
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<p>Turkish Statistical Institute (TUIK)</p>	<p>Türkiye İstatistik Kurumu Devlet Mah.Necatibey Cad. No:114 06650 Çankaya/ANKARA</p> <p>Phone: +90 312 410 0 410 Fax: Website: http://www.tuik.gov.tr</p>
<p>Turkish Competition Authority</p>	<p>Rekabet Kurumu</p> <p>Üniversiteler Mahallesi 1597.Cadde No:9 06800 Çankaya/ANKARA</p> <p>Phone: +90 312 291 44 44 Fax: +90 312 266 79 20 Website: http://www.rekabet.gov.tr</p>
<p>Turkish Institute of Standards (TSE)</p>	<p>Türk Standardları Enstitüsü Necatibey Cad. No. 112 06100 Bakanlıklar/ANKARA</p> <p>Phone: +90 312 416 62 00 Fax: +90 312 416 6611 Website: http://www.tse.org.tr</p>
<p>Small and Medium Enterprises Development Organisation (KOSGEB)</p>	<p>Küçük ve Orta Ölçekli İşletmeleri Geliştirme ve Desteğe İdaresi Başkanlığı Anafartalar Mah. İstanbul Cad. No: 32 06050 Ulus / Altındağ / ANKARA</p> <p>Phone: +90 312 595 28 00 Fax: +90 312 368 07 15 Website: http://www.kosgeb.gov.tr</p>
<p>GAP (South-eastern Anatolia Project) Regional Development Administration</p>	<p>T.C. Kalkınma Bakanlığı Güneydoğu Anadolu Projesi Bölge Kalkınma İdaresi Başkanlığı</p> <p>Doğukent Mah. 104.Cad.No: 1155/2 Karaköprü / ŞANLIURFA</p> <p>Phone: +90 414 317 2000 Fax: +90 414 317 2070</p>

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<p>Turkish Patent Institute (TPE)</p>	<p>Türk Patent Enstitüsü</p> <p>Hipodrom Caddesi No: 115 06330 Yenimahalle / ANKARA</p> <p>Phone: +90 312 303 10 00 Fax: +90 312 303 11 73 Website: http://www.tpe.gov.tr</p>

<p>Development Bank of Turkey (TKB)</p>	<p>Türkiye Kalkınma Bankası Necatibey Caddesi No:98 06100 Yenışehir/ANKARA</p> <p>Phone: +90 312 231 84 00 Fax: +90 312 231 31 25 Website: http://www.kalkinma.com.tr/</p>
<p>Republic Of Turkey Prime Ministry Turkish Cooperation and Coordination Agency (TIKA)</p>	<p>T.C. Başbakanlık Türk İşbirliği ve Koordinasyon Ajansı Başkanlığı Eti Mahallesi, Gazi Mustafa Kemal Blv. No: 140, 06570 Çankaya/Ankara</p> <p>Phone: +90 312 939 70 00 Fax: +90 312 939 75 15-16 Website: http://www.tika.gov.tr/tr</p>
<p>Foreign Economic Relations Board (DEIK)</p>	<p>Dış Ekonomik İlişkiler Kurulu RIVER PLAZA Büyükdere Cad. Bahar Sok. No: 13/9-10 34394 Levent/ISTANBUL</p> <p>Phone: +90 212 339 50 00 Fax: +90 212 270 30 92 Website: http://en.deik.org.tr/</p>
<p>Foreign Trade Association of Turkey (TURKTRADE)</p>	<p>Turktrade Yzb. Kaya Aldoğan Sokak, Genç Apt., No:11, Daire 8 34394 Zincirlikuyu/ISTANBUL</p> <p>Phone: +90 212 272 69 81-91 Fax: +90 212 275 51 36 Website: http://www.turktrade.org.tr/</p>
<p>The Banks Association of Turkey (TBB)</p>	<p>Türkiye Bankalar Derneği Nispetiye Cad. Akmerkez B3 Blok Kat:13-14 34340 Etiler/ISTANBUL</p>

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<p>Banking Regulation and Supervision Agency (BDDK)</p>	<p>Bankacılık Düzenleme ve Denetleme Kurumu Atatürk Bulvarı 191/B Kavaklıdere 06680 ANKARA</p> <p>Phone: +90 312 455 65 00 Fax: +90 312 424 08 79 Website: http://www.bddk.org.tr</p>
<p><u>Turkish Industry & Business Association (TUSIAD)</u></p>	<p>Türk Sanayicileri ve İşadamları Derneği Mesrutiyet Caddesi No. 74 Tepebaşı, İSTANBUL</p> <p>Phone: +90 212 249 19 29 Fax: +90 212 249 13 50 Website: http://www.tusiad.org.tr/</p>
<p>Association for Foreign Capital Coordination (YASED)</p>	<p>Uluslararası Yatırımcılar Derneği Dikilitaş Emirhan Cad. No. 113 Barbaros Plaza Kat 16 34349 Beşiktaş / İstanbul</p> <p>Phone: +90 212 272 50 94 Fax: +90 212 274 66 64 Website: http://www.yased.org.tr</p>
<p>Foundation of Economic Development (IKV)</p>	<p>İKTİSADİ KALKINMA VAKFI Esentepe Mah. Harman Sok. TOBB Plaza No: 10</p>

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World Trade Center Istanbul (IDTM)	<p>Istanbul Dünya Ticaret Merkezi Yeşilköy Mah. Atatürk Cad. İDTM İş Blokları A3 Blok, No: 10/2, Kat: 9, Ofis No: 307-314, 34149 Bakırköy/İSTANBUL</p> <p>Phone: +90 212 468 52 00 Fax: +90 212 465 55 59 Website: http://www.idtm.com.tr/</p>
İSTANBUL Exporters's Association (IIB)	<p>Istanbul İhracatçı Birlikleri Çobançeşme Mevkii, Sanayi Caddesi Dış Ticaret Kompleksi, C Blok Yenibosna / İSTANBUL 34197</p> <p>Phone: +90 212 454 05 14 Fax: +90 212 454 05 01 Website: http://www.iib.org.tr</p>
Association of Turkish Travel Agencies	<p>Türkiye Seyahat Acentaları Birliği Aşık Kerem Sok. No:40 Fulya 34349. Beşiktaş/İstanbul.</p> <p>Phone: +90 212 259 84 04 Fax: +90 259 06 56 / 236 39 78 Website: http://www.tursab.org.tr/</p>
Swiss International Airlines	<p>Swiss International Airlines Ltd Büyükdere Cad. No:122 Özsezen İş Merkezi C Blok Kat:5 34394 Zincirlikuyu/İSTANBUL</p> <p>Phone: +90 212 354 99 00 Fax: +90 212 354 99 02 Website: http://www.swiss.com</p>

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