

operation of free zones and facilitates the entry of foreign capital and technology into free zones. The Council of Ministers has authority to grant permission for the establishment and operation of free trade zones for public institutions and agencies, resident or non-resident real persons or legal entities. The Economic Affairs Supreme Co-ordination Council is authorized to approve the types of activity to be carried out in the free zones. (In practice, almost no limit is placed on the types of activities that may be carried out within the free zones.)

Any authority granted to Turkish public agencies by law, such as pricing or quality standards, is valid in the zones. All Turkish or non-Turkish parties operating in the free zone must be treated equally. Free trade zone operating licences are granted by SPO. Land and facilities needed within free zones may be acquired pursuant to the provisions of the Expropriation Law. All other permits and licences regarding the use of land, as well as design, construction and utilization of buildings and installations within free zones, are issued by the regional free zone directorates.

Free zones are defined as being outside of Turkish customs borders. Legislative provisions pertaining to taxes, levies, duties, customs and foreign exchange obligations are not applicable in these zones. Trade conducted between a free trade zone and other regions of Turkey is subject to the foreign trade regime. Upon request, goods originating from Turkey of value less than US\$500 may be exempt from export procedures. The foreign trade regime is not applicable to the trade conducted between the free trade zones and other countries or other free trade zones.

All payments related to free trade zone activities are made in the form of foreign exchange. The Council of Ministers may give permission for payments to be made in Turkish lira.