

AMENDMENTS TO THE LAW ON THE FREE TRADE ZONES

Certain changes and amendments are made in Law No 5810 of 12.11.2008 and the Law on the Free Trade Zones. The important points extracted from the amended text are outlined below:

Right of Easement and Usufructuary License

With the current adaptation, investors operating in the Free Trade Zones are granted the right to lease the land, plot and buildings under the ownership of the Treasury, or to establish right of easement for up to 49 years. Additionally, the granting of a usufructuary license of the same duration is stipulated for these zones.

The Laws Not Applicable To Free Trade Zones and Work Permits

The Laws not applicable to the Free Trade Zones are specified in the new adaptation as follows: The Law on Work Permits of Foreigners; The Law on Direct Foreign Investments; Passport Law; The Law on the Residence and Travel of Foreigners in Turkey and certain provisions of Municipal Law. As a consequence, work permits shall be obtained from the Undersecretariat of Foreign Trade but not from the Ministry of Labor.

Exemption from Corporation Tax

With the amendments made in the relevant law, taxpayer corporations engaged in manufacturing activities in the free zones shall be exempted from the corporation tax and/or income tax until the end of the taxation period of the year in which full membership of the European Union was acquired.

Exemption from Income Tax

Additionally, with regard to manufacturers operating in these zones, the wages paid to their personnel shall be exempted from income tax provided that exports of manufactured products correspond to at least 85% of the FOB value.

Exemption from Stamp Duty

The transactions executed and the documents issued relating to the activities performed in the Free Trade Zones shall be exempted from stamp duty and charges.