

**GENERAL AGREEMENT ON
TARIFFS AND TRADE**

RESTRICTED

L/2155/Add.1
12 March 1964

Limited Distribution

CONTRACTING PARTIES
Twenty-first Session

Original: French

EUROPEAN ECONOMIC COMMUNITY

Association of Turkey

Addendum

The text of the Agreement creating an Association between the European Economic Community and Turkey is distributed herewith.

AGREEMENT CREATING AN ASSOCIATION BETWEEN
THE EUROPEAN ECONOMIC COMMUNITY AND TURKEY
AND DOCUMENTS ANNEXED THERETO

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AGREEMENT CREATING AN ASSOCIATION BETWEEN
THE EUROPEAN ECONOMIC COMMUNITY AND TURKEY

PREAMBLE

His Majesty the King of the Belgians,
The President of the Federal Republic of Germany,
The President of the French Republic,
The President of the Italian Republic,
Her Royal Highness the Grand Duchess of Luxemburg,
Her Majesty the Queen of the Netherlands,
and the Council of the European Economic Community,

of the one part,

and the President of the Turkish Republic,

of the other part,

DETERMINED to establish ever closer links between the Turkish nation and the nations united within the European Economic Community;

DECIDED to ensure the steady improvement of living conditions in Turkey and in the European Economic Community by speeding up economic advance and by a harmonious expansion of trade and likewise to reduce the gap between the economy of Turkey and that of the member States of the Community;

TAKING INTO ACCOUNT the special problems connected with the development of the Turkish economy and the need to afford economic aid to Turkey during a specified period;

RECOGNIZING that the support given by the European Economic Community to the Turkish nation's efforts to improve its standard of living will eventually facilitate the accession of Turkey to the Community;

RESOLVED to strengthen the safeguards of peace and liberty by jointly pursuing the ideal embodied in the Treaty establishing the European Economic Community;

HAVE DECIDED to conclude an agreement creating an association between the European Economic Community and Turkey, in accordance with Article 238 of the Treaty establishing the European Economic Community and to this end have designated as their plenipotentiaries:

HIS MAJESTY THE KING OF THE BELGIANS:

Mr. Paul-Henri SPAAK, Deputy Prime Minister and Minister of Foreign Affairs;

THE PRESIDENT OF THE FEDERAL REPUBLIC OF GERMANY:

Mr. Gerhard SCHROEDER, Minister of Foreign Affairs;

THE PRESIDENT OF THE FRENCH REPUBLIC:

Mr. Maurice COUVE DE MURVILLE, Minister of Foreign Affairs;

THE PRESIDENT OF THE ITALIAN REPUBLIC:

Mr. Emilio COLOMBO, Minister of Finance;

HER ROYAL HIGHNESS THE GRAND DUCHESS OF LUXEMBURG:

Mr. Eugène SCHAUS, Deputy Prime Minister and Minister of Foreign Affairs;

HER MAJESTY THE QUEEN OF THE NETHERLANDS:

Mr. Joseph M.A.H. LUNS, Minister of Foreign Affairs;

THE COUNCIL OF THE EUROPEAN ECONOMIC COMMUNITY:

Mr. Joseph M.A.H. LUNS, President of the Council of the European Economic Community, Minister of Foreign Affairs of the Netherlands;

THE PRESIDENT OF THE TURKISH REPUBLIC:

Mr. Feridun Cemal ERKIN, Minister of Foreign Affairs.

WHO, having exchanged their full powers, found in good and due form, have agreed as follows:

PART I

PRINCIPLES

ARTICLE 1

By the present agreement an association is established between the European Economic Community and Turkey:

ARTICLE 2

1. It shall be the aim of the agreement to promote a continuous and well-balanced strengthening of commercial and economic relations between the Parties, with full regard to the need to ensure the speedier development of the Turkish economy and the raising of the level of employment and of the living conditions of the Turkish nation.
2. With a view to the attainment of the objectives set forth in the preceding paragraph provision is made for the progressive establishment of a customs union according to the conditions and procedures indicated in Articles 3, 4 and 5.
3. The association shall comprise:
 - (a) a preparatory stage;
 - (b) a transitional stage;
 - (c) a final stage.

ARTICLE 3

1. During the preparatory stage Turkey shall strengthen its economy, with the assistance of the Community, with a view to being able to take on the obligations which will accrue to it during the transitional and final stages.

The implementing provisions relating to the preparatory stage, and in particular to assistance by the Community, are defined in the provisional protocol and the financial protocol annexed to this agreement.

2. The duration of the preparatory stage shall be five years, subject to any extension thereof in accordance with the provisions of the provisional protocol.

The move on to the transitional stage shall take place in accordance with the conditions and procedures set forth in Article 1 of the provisional protocol.

ARTICLE 4

1. During the transitional stage the Contracting Parties shall, on the basis of reciprocal and balanced obligations, ensure:

- the progressive institution of a customs union between Turkey and the Community;
- the approximation of the economic policies of Turkey with those of the Community with a view to ensuring the proper functioning of the association as well as the development of the requisite common action for this purpose.

2. The duration of this stage shall not be more than twelve years, subject to any exceptions which may be decided upon in common agreement. Such exceptions shall not prevent the complete achievement of the customs union with a reasonable time-limit.

ARTICLE 5

The final stage is based upon the customs union and implies the strengthening of co-ordination of the economic policies of the Contracting Parties.

ARTICLE 6

In order to ensure the operation and gradual expansion of the association, the Contracting Parties shall meet in an Association Council which shall act within the limits of the powers conferred upon it by the agreement.

ARTICLE 7

The Contracting Parties shall take all general or special measures calculated to ensure execution of the obligations arising out of the agreement.

They shall abstain from any action likely to jeopardize attainment of the aims of the agreement.

PART II

IMPLEMENTATION OF THE TRANSITIONAL STAGE

ARTICLE 8

With a view to the attainment of the objectives set forth in Article 4 the Association Council shall, before the end of the transitional stage, and in accordance with the procedure set forth in Article 1 of the provisional protocol, determine the conditions, procedures and timing for implementation of the provisions relating to the sectors covered by the Treaty establishing the Community which are to be taken into consideration, in particular those referred to in the present Part, as well as any safeguard clause which may prove necessary.

ARTICLE 9

The Contracting Parties recognize that within the field of application of the agreement, and without prejudice to any special provisions which may be established in pursuance of Article 8, any discrimination on grounds of nationality shall be prohibited, in conformity with the principle set forth in Article 7 of the Treaty establishing the Community.

Chapter 1

CUSTOMS UNION

ARTICLE 10

1. The customs union provided for in Article 2, paragraph 2 of the agreement shall cover trade in goods generally.

2. The customs union shall comprise:

- the prohibition as between the Member States of the Community and Turkey of all customs duties and charges with equivalent effect and all quantitative restrictions on importation or exportation, and likewise any other measure with equivalent effect designed to afford to domestic producers protection contrary to the objectives of the agreement;
- in Turkey's relations with third countries, the adoption of the common customs tariff of the Community, and likewise approximation with the other regulations applied by the Community with respect to external trade.

Chapter 2

AGRICULTURE

ARTICLE 11

1. The association shall extend to agriculture and to trade in agricultural products, in accordance with special modalities taking account of the common agricultural policy of the Community.

2. Agricultural products shall mean the products enumerated in the list contained in Annex II of the Treaty establishing the Community, as now amplified in pursuance of the provisions of Article 38, paragraph 3, of the said Treaty.

Chapter 3

OTHER PROVISIONS OF AN ECONOMIC NATURE

ARTICLE 12

The Contracting Parties agree, on the basis of Articles 48, 49 and 50 of the Treaty establishing the Community, gradually to achieve free movement of workers as between them.

ARTICLE 13

The Contracting Parties agree, on the basis of Articles 52 to 56 inclusive and Article 58 of the Treaty establishing the Community, to eliminate as between themselves restrictions on freedom of establishment.

ARTICLE 14

The Contracting Parties agree, on the basis of Articles 55, 56 and Articles 58 to 65 inclusive of the Treaty establishing the Community, to eliminate as between themselves restrictions on the free supply of services.

ARTICLE 15

The conditions and procedures for extending to Turkey the clauses dealing with transport in the Treaty establishing the Community shall be established taking into account the geographical situation of Turkey.

ARTICLE 16

The Contracting Parties agree that the principles laid down in Part Three, Chapter I of the Treaty establishing the Community with respect to competition, fiscal relations and the approximation of laws, shall be made applicable to their association relationships.

ARTICLE 17

Each State party to the agreement shall pursue the economic policy necessary to ensure the equilibrium of its overall balance of payments and maintain confidence in its currency, while ensuring a steady and well-balanced expansion of its economy and keeping the price level stable.

It shall, in order to achieve these aims, practise a policy of adaptability to economic trends, more particularly in the financial and monetary spheres.

ARTICLE 18

Each State party to the agreement shall pursue an exchange rate policy appropriate for ensuring the attainment of the aims of the association.

ARTICLE 19

1. The Member States of the Community and Greece shall authorize, in the currency of the country in which the creditor or the beneficiaries reside, any payments or transfers connected with exchanges of goods, services or capital, and also any transfers of capital and wages, to the extent that the movement of goods, services, capital and persons is liberalized between them in execution of the agreement.

ARTICLE 20

The Contracting Parties shall consult one another with a view to facilitating as between the Member States of the Community and Turkey, the capital movements which promote attainment of the aims of the agreement.

They shall endeavour to find ways and means which will encourage the investment in Turkey of capital from countries of the Community which can contribute to the expansion of the Turkish economy.

The residents of each Member State shall enjoy all the advantages, more particularly in exchange and taxation matters, as regards the treatment of foreign capital which Turkey grants to another member State or to a third country.

ARTICLE 21

The Contracting Parties agree to define a consultation procedure with a view to ensuring the co-ordination of their commercial policies towards third countries and the respect of their reciprocal interests in this field, inter alia in the event of the subsequent accession or association of third countries with the Community.

PART III

GENERAL AND FINAL PROVISIONS

ARTICLE 22

1. For the achievement of the aims laid down in the agreement and in the cases covered by the latter, the Association Council shall have power to take decisions. Each of the two parties shall be bound to take the steps involved in the execution of the decisions adopted. The Association Council may also formulate any necessary recommendations.
2. The Association Council shall make a periodical review of the results of the operation of the Association, bearing in mind the aims of the agreement. During the preparatory stage, however, such reviews shall be limited to an exchange of views.
3. As from the commencement of the transitional stage, if joint action by the Contracting Parties seems to be essential for achieving, in the operation of the Association, any of the aims of the present agreement, but the latter has failed to provide the requisite powers of action, the Association Council shall take the appropriate decisions.

ARTICLE 23

The Association Council shall consist, on the one hand, of members of the Governments of Member States, of the Council and the Commission of the Community and, on the other hand, of members of the Turkish Government.

Members of the Association Council may delegate representatives under the conditions to be laid down in the rules of procedure.

The decisions of the Association Council shall be taken unanimously.

ARTICLE 24

The Association Council shall be presided over for six months at a time, alternately by a representative of the Community and of Turkey. The duration of the first such term may be shortened should the Association Council so decide.

The Association Council shall draw up its rules of procedure.

It may decide to set up any committee that can help it to discharge its tasks, including a committee which would ensure the continuous co-operation essential for the proper functioning of the agreement.

The Association Council shall define the tasks and powers of such committees.

ARTICLE 25

1. Any Contracting Party may refer to the Association Council any dispute concerning the application or interpretation of the agreement and affecting the Community, a Member State of the Community or Turkey.
2. The Association Council may adopt a decision settling the dispute; it may also decide to refer the dispute to the Court of Justice of the European Communities or any other existing judicial body.
3. Each Party shall be bound to take the steps entailed by the execution of the decision or award.
4. The Association Council shall, in accordance with Article 8 of the agreement, determine the modalities of an arbitration procedure or any other judicial procedure to which the contracting parties may have recourse during the transitional and final stages of the agreement in the event that no settlement of the dispute has been feasible pursuant to paragraph 2 of this article.

ARTICLE 26

The provisions of the agreement shall not apply to products covered by the European Coal and Steel Community.

ARTICLE 27

The Association Council shall take any steps needed to facilitate co-operation and the necessary contacts between the European Parliamentary Assembly and the Economic and Social Council and the other organs of the Community, on the one hand, and the Turkish Parliament and the corresponding Turkish bodies, on the other hand.

During the preparatory stage, however, such contacts shall be limited to relations between the European Parliamentary Assembly and the Turkish Parliament.

ARTICLE 28

When the operation of the agreement makes it possible to envisage the integral acceptance by Turkey of the obligations under the Treaty establishing the Community, the Contracting Parties shall consider the possibility of Turkey acceding to the Community.

ARTICLE 29

1. The present agreement shall apply, on the one hand, to the European territory of the Kingdom of Belgium, the Federal Republic of Germany, the French Republic, the Italian Republic, the Grand Duchy of Luxemburg, the Kingdom of the Netherlands and, on the other hand, to the territory of the Turkish Republic.
2. It shall also apply to the French overseas departments in the sectors covered by the agreement corresponding to those listed in paragraph 2, subparagraph 1, of Article 227 of the Treaty establishing the Community.

The conditions governing the application to such territories of the provisions of the present agreement concerning the other sectors shall be determined subsequently by agreement between the Contracting Parties.

ARTICLE 30

The Protocols which the Contracting Parties have agreed to annex to the agreement shall form an integral part thereof.

ARTICLE 31

The present agreement shall be ratified by the signatory States in accordance with the rules of their respective constitutions and shall be validly concluded, as far as the Community is concerned, by a Council decision taken in accordance with the provisions of the Treaty establishing the Community and notified to the Parties to the agreement.

The instruments of ratification and the notice of conclusion referred to above shall be exchanged at Brussels.

ARTICLE 32

The present agreement shall come into force on the first day of the second month following the date of exchange of the instruments of ratification and the notice of conclusion referred to in Article 31.

ARTICLE 33

The present agreement is drawn up in duplicate in the Dutch, French, German, Italian and Turkish languages, each text being equally authentic.

PROTOCOL NO. 1

PROVISIONAL PROTOCOL

THE CONTRACTING PARTIES,

CONSCIOUS of the importance, particularly in the preparatory stage, of exports of tobacco, raisins, dried figs and hazel-nuts for the Turkish economy;

DESIRING to draw up the Provisional Protocol provided for in Article 3 of the association agreement;

HAVE AGREED upon the following provisions:

ARTICLE 1

1. Four years after the entry into force of the agreement the Association Council shall examine whether, having regard to the economic situation of Turkey, it can draw up, in the form of an additional protocol, the provisions relating to the conditions, modalities and rate of achievement of the transitional stage referred to in Article 4 of the agreement.

The additional protocol shall be signed by the Contracting Parties and shall come into force upon the fulfilment of the constitutional procedures required in each one of them.

2. If by the end of the fifth year it has not been possible to draw up the additional protocol, the procedure specified in paragraph 1 shall be commenced again after a period to be determined by the Association Council, but which may not exceed three years.

3. The provisions of the present protocol shall remain applicable until the entry into force of the additional protocol and at the latest until the end of the tenth year.

However, in the event that the additional protocol has been drawn up but has not been able to come into force at the end of the tenth year, the additional protocol shall be extended for a maximum of one year.

In the event that by the end of the ninth year it has not been possible to draw up the additional protocol, the Association Council shall determine the subsequent arrangements for the preparatory stage to be applicable from the end of the tenth year.

ARTICLE 2

From the entry into force of this protocol, the Member States of the Community shall open the following annual tariff quotas for their imports originating in and coming from Turkey:

(a) 24.01 - unmanufactured tobacco; tobacco refuse

Belgium-Luxemburg Economic Union	1,250 tons
Federal Republic of Germany	6,600 tons
France	2,550 tons
Italy	1,500 tons
Netherlands	600 tons

Within the limits of these tariff quotas, each Member State shall apply a customs duty equal to that which it applies on imports of the same products under the Association Agreement signed by the Community on 9 July 1961.

(b) ex 08.04 - raisins (presented in packages with a content of not more than 15 kg.)

Belgium-Luxemburg Economic Union	3,250 tons
Federal Republic of Germany	9,750 tons
France	2,800 tons
Italy	7,700 tons
Netherlands	6,500 tons

Within the limits of these tariff quotas, each Member State shall apply a customs duty equal to that which it applies on imports of the same products under the Association Agreement signed by the Community on 9 July 1961.

(c) ex 08.03 - dried figs (presented in packages with a content of not more than 15 kg.)

Belgium-Luxemburg Economic Union	840 tons
Federal Republic of Germany	5,000 tons
France	7,000 tons
Netherlands	160 tons

Within the framework of these tariff quotas, each Member State shall, until the final approximation of the national duties of the Community Member States with the common customs tariff for dried figs, apply a customs duty equal to the basic duty, in the sense of Article 14, paragraph 1 of the Treaty establishing the Community, reduced by one half of the reductions which the Member States of the Community grant to each other.

In the event that the provisional protocol is still in force at the time of the final approximation of the national duties of Member States with the common customs tariff for dried figs, the Community shall take the tariff measures necessary for maintaining commercial advantages for Turkey equivalent to those afforded to it in pursuance of the preceding paragraph, taking into account the provisions of Article 3.

(d) ex 08.05 - nuts, fresh or dried, shelled or not: hazel-nuts

Belgium-Luxemburg Economic Union	540 tons
Federal Republic of Germany	14,500 tons
France	1,250 tons
Netherlands	710 tons

Within the framework of this tariff quota, each Member State of the Community shall apply a customs duty of 2.5 per cent ad valorem.

Furthermore, with respect to this product, the Member States of the Community shall, as from the entry into force of the agreement, eliminate the intra-Community customs duties completely and shall apply the common customs tariff in full.

ARTICLE 3

With effect from the final approximation of the national duties of Member States of the Community with the common customs tariff for the products referred to in Article 2, the Community shall each year open tariff quotas for the benefit of Turkey; the volume of such quotas shall be equivalent to the sum of the national quotas opened at that date. This procedure shall apply without prejudice to any decisions which may have been taken by the Association Council in pursuance of Article 4 for the ensuing calendar year.

With respect to hazel-nuts, however, this procedure shall apply only until such time as, for all the three other products, the national duties of the Member States of the Community have been aligned with the common customs tariff.

ARTICLE 4

As from the second year following the entry into force of the agreement, the Association Council may decide to increase the volume of the tariff quotas referred to in Articles 2 and 3. Such increases shall remain established unless the Association Council decides to the contrary. Any increase shall take effect only from the ensuing calendar year.

ARTICLE 5

In the event that the date of entry into force of the agreement does not coincide with the beginning of the calendar year, the Member States of the Community shall, for the period from the date of entry into force of the agreement to the beginning of the ensuing calendar year, open tariff quotas with a volume corresponding to one-twelfth of the quantities mentioned in Article 2 for each month to run between the date of entry into force of the agreement and the beginning of the ensuing calendar year.

However, from the entry into force of the agreement, the Association Council may decide to increase the volumes of the tariff quotas resulting from the application of the preceding paragraph in order to take account of the seasonal nature of exports of the products concerned.

ARTICLE 6

At the end of the third year from the entry into force of the agreement, the Association Council may determine the measures likely to promote the disposal on the Community market of products other than those referred to in Article 2.

ARTICLE 7

From the practical application of the common agricultural policy for tobacco, hazel-nuts or dried figs, the Community shall take any measures necessary in order to maintain for Turkey, having regard to the régime provided for the common agricultural policy, export possibilities equivalent to those afforded to it under the present protocol.

ARTICLE 8

In the event that the Community opened tariff quotas for the products referred to in Article 2 of this protocol, Turkey would be granted treatment no less favourable, with respect to the level of the customs duties applicable in the framework of such tariff quotas, than that applied to a country not a party to the agreement.

ARTICLE 9

Turkey shall endeavour to extend to all Member States of the Community the most favourable treatment which it grants to one or more of them.

ARTICLE 10

During the preparatory stage, any contracting party may bring before the Association Council any difficulties regarding the right of establishment, the provision of services, transport and competition. Should the case arise, the Association Council may make any appropriate recommendations to the Contracting Parties for the elimination of such difficulties.

ARTICLE 11

The present protocol shall be annexed to the agreement.

PROTOCOL NO. 2

FINANCIAL PROTOCOL

THE CONTRACTING PARTIES,

BEING DESIROUS of encouraging the accelerated expansion of the Turkish economy with a view to assisting the achievement of the aims of the association agreement;

HAVE AGREED upon the following provisions:

ARTICLE 1

Applications for financing investment projects which will contribute to increasing the productivity of the Turkish economy, promote the achievement of the aims of the agreement and fit in with the Turkish development plan may be submitted by the Turkish State and Turkish undertakings to the European Investment Bank which shall inform them of the decision taken in regard to their applications.

ARTICLE 2

Applications which are approved shall be financed through loans. The total amount of such loans may be up to 175 million units of account and may be committed during the five years following the entry into force of the agreement.

ARTICLE 3

Any applications for financing submitted by Turkish undertakings may be approved only with the assent of the Turkish Government.

ARTICLE 4

1. Loans shall be granted on the basis of the economic characteristics of the projects to which they are allocated.
2. Loans relating in particular to investments yielding widespread, indirect or delayed economic results may be granted on special terms such as reduced rates of interest, extended periods for amortization, interest-free periods, and, if need be, other special conditions for amortization which may assist Turkey in the servicing of such loans.

3. When a loan is granted to an enterprise or body other than the Turkish State, the granting of such loan shall be subject to a guarantee from the Turkish State.

ARTICLE 5

1. The Bank may make the granting of loans subject to a procedure of inviting tenders. All physical or moral persons of Turkey or of one of the Member States of the Community shall be eligible to participate, on equally competitive terms, in such tenders.

2. Loans may be used to cover the costs of imports as well as the internal expenditure necessary for carrying out the investment projects, which have been approved.

3. The Bank shall ensure that the funds are utilized in the most rational manner and in conformity with the objectives of the agreement.

ARTICLE 6

Turkey undertakes to permit the debtors receiving such loans to purchase the foreign currency necessary for repayment of the capital and interest.

ARTICLE 7

The assistance granted under the present protocol towards the execution of certain projects may be in the form of participation in the financing involving, in particular, third States, international financing organizations or the authorities and institutions in the field of credit and development of Turkey or of the Member States of the Community.

ARTICLE 8

The assistance granted towards the economic and social development of Turkey in the conditions indicated in the agreement and in the present protocol constitutes an effort complementary in relation to that made by the Turkish State.

ARTICLE 9

The present protocol shall be annexed to the agreement.

IN FAITH WHEREOF the undersigned plenipotentiaries have attached their signatures to this Agreement.

Done at Ankara, on the twelfth day of September, one thousand nine hundred and sixty-three.

FOR HIS MAJESTY THE KING OF THE BELGIANS:

Paul-Henri SPAAK.

FOR THE PRESIDENT OF THE FEDERAL REPUBLIC OF GERMANY:

Gerhard SCHROEDER.

FOR THE PRESIDENT OF THE FRENCH REPUBLIC:

Maurice COUVE de MURVILLE.

FOR THE PRESIDENT OF THE ITALIAN REPUBLIC:

Emilio COLOMBO.

FOR HER ROYAL HIGHNESS THE GRAND DUCHESS OF LUXEMBURG:

Eugène SCHAUS.

FOR HER MAJESTY THE QUEEN OF THE NETHERLANDS:

Joseph M.A.H. LUNS.

FOR THE COUNCIL OF THE EUROPEAN
ECONOMIC COMMUNITY:

Joseph M.A.H. LUNS.

TURKIYE CUMHURBASKANI ADINA,

Feridun Cemal ERKIN

Subject to the reservation that the Community shall be definitely committed only after the other Contracting Party has been notified of the completion of the procedures required by the Treaty establishing the European Economic Community, more particularly the consultation of the European Parliamentary Assembly.

FINAL ACT

The plenipotentiaries

of His Majesty the King of the Belgians, of the President of the Federal Republic of Germany, of the President of the French Republic, of the President of the Italian Republic, of her Royal Highness the Grand Duchess of Luxemburg, of Her Majesty the Queen of the Netherlands and of the Council of the European Economic Community,

of the one part,

and of the President of the Turkish Republic,

of the other part,

met at Ankara on the twelfth day of September, one thousand nine hundred and sixty-three,

for the signature of the agreement creating an association between the European Economic Community and Turkey,

have drawn up the following texts:

AGREEMENT creating an association between the European Economic Community and Turkey, together with the following protocols:

Protocol No. 1: Provisional Protocol

Protocol No. 2: Financial Protocol

The plenipotentiaries have further:

- adopted the Declarations listed below and annexed to the present instrument
- 1. Declaration of intention concerning raisins, with reference to Article 2 of the Provisional Protocol;
- 2. Interpretative Declaration concerning the value of the unit of account referred to in Article 2 of the Financial Protocol;
- 3. Interpretative Declaration concerning the definition of the term "Contracting Parties" in the association agreement,
- and taken note of the declarations by the Government of the Federal Republic of Germany listed below and annexed to the present instrument:

1. Declaration regarding the definition of German nationals;
2. Declaration concerning the application of the Agreement to Berlin.

The plenipotentiaries have agreed that the declarations annexed to the present Act shall, where necessary, be subject to the requisite procedures for ensuring their validity in the same manner as the Agreement setting up an association between the European Economic Community and Turkey.

IN FAITH WHEREOF the undersigned plenipotentiaries have attached their signatures to the present Final Act.

Done at Ankara, on the twelfth day of September, one thousand nine hundred and sixty-three:

FOR HIS MAJESTY THE KING OF THE BELGIANS,

Paul-Henri SPAAK.

FOR THE PRESIDENT OF THE FEDERAL REPUBLIC OF GERMANY,

Gerhard SCHROEDER.

FOR THE PRESIDENT OF THE FRENCH REPUBLIC,

Maurice COUVE de MURVILLE.

FOR THE PRESIDENT OF THE ITALIAN REPUBLIC,

Emilio COLOMBO.

FOR HER ROYAL HIGHNESS THE GRAND DUCHESS OF LUXEMBURG,

Eugène SCHAUS.

FOR HER MAJESTY THE QUEEN OF THE NETHERLANDS,

Joseph M.A.H. LUNS.

FOR THE COUNCIL OF THE EUROPEAN
ECONOMIC COMMUNITY,

Joseph M.A.H. LUNS.

TURKIYE CUMHURBASKANI ADINA

Feridun Cemal ERKIN

Subject to the reservation that the Community shall be definitely committed only after the other Contracting Party has been notified of the completion of the procedures required by the Treaty establishing the European Economic Community, more particularly, the consultation of the European Parliamentary Assembly.

DECLARATION OF INTENTION CONCERNING RAISINS WITH REFERENCE TO
ARTICLE 2 OF THE PROVISIONAL PROTOCOL

The Community declares that it does not intend to establish a common marketing organization for raisins.

INTERPRETATIVE DECLARATION CONCERNING THE VALUE OF THE
UNIT OF ACCOUNT REFERRED TO IN ARTICLE 2 OF THE
FINANCIAL PROTOCOL

The Contracting Parties hereby declare as follows:

1. The value of the unit of account used for expressing the amount provided for in Article 2 of the Financial Protocol shall be 0.88867088 grammes of fine gold.
2. The par value of the currency of a Member State of the Community in relation to the unit of account as defined in paragraph 1 shall be the relation between the weight of fine gold contained in the unit of account and the weight of fine gold corresponding to the par value of such currency as declared to the International Monetary Fund. In the absence of any declared par value or in the event that the rates applied to current payments deviate from the par value by a margin greater than that authorized by the International Monetary Fund, the weight of fine gold corresponding to the par value of the currency shall be calculated on the basis of the rate of exchange applied in the Member State for current payments, on the day of the calculation, to a currency directly or indirectly quoted in and convertible into gold and on the basis of the par value of such convertible currency, as declared to the International Monetary Fund.
3. The unit of account as defined in paragraph 1 above shall remain unchanged throughout the period of implementation of the Financial Protocol. However, if before the expiry date of the latter any uniformly proportional change were to occur in the par value of any currency in relation to gold, as decided by the International Monetary Fund in pursuance of Article 4, section 7 of its statutes, the weight of fine gold of the unit of account shall vary in inverse proportion to such change.

In the event that one or more Member States of the Community does not apply the decision taken by the International Monetary Fund as referred to in the foregoing paragraph, the weight of fine gold of the unit of account shall vary in inverse proportion to the change decided upon by the International Monetary Fund. However, the Council of the European Economic Community shall examine the situation thus created and shall, acting by a qualified majority vote on a proposal by the Commission and after having received the opinion of the Monetary Committee, take the necessary measures.

INTERPRETATIVE DECLARATION CONCERNING THE DEFINITION OF
THE TERM "CONTRACTING PARTIES" IN THE ASSOCIATION AGREEMENT

The Contracting Parties agree to interpret the association agreement in such a manner that the term "Contracting Parties", when used in the said agreement, shall mean, on the one hand, the Community and the Member States or, solely, either the Member States or the Community and, on the other hand, the Republic of Turkey. The meaning to be attributed to the term shall be inferred from the relevant provisions of the agreement, as well as from the corresponding provisions of the Treaty establishing the Community. In certain cases, the term "Contracting Parties" can mean the Member States, during the transitional period of the Treaty establishing the Community, and the Community, after the expiry of the said period.

DECLARATIONS BY THE GOVERNMENT OF THE
FEDERAL REPUBLIC OF GERMANY

1. DECLARATION CONCERNING THE DEFINITION OF GERMAN NATIONALS

The term "Nationals of the Federal Republic of Germany" shall be taken to mean all Germans within the meaning of the Basic Law of the Federal Republic of Germany.

2. DECLARATION CONCERNING THE APPLICATION OF THE AGREEMENT TO BERLIN

The association agreement shall also apply to Land Berlin unless the Government of the Federal Republic of Germany has, within a period of three months, sent the Contracting Parties a declaration to the contrary.

LETTERS EXCHANGED
AT ANKARA ON 12 SEPTEMBER 1963
BETWEEN THE PRESIDENT OF THE DELEGATION OF THE COMMUNITY
AND THE PRESIDENT OF THE DELEGATION OF TURKEY

COPY

<u>Letter from:</u>	Mr. Günther SEELIGER, President of the delegation of the European Economic Community
<u>To:</u>	Mr. Hasan Esat IŞIK, Ambassador, President of the Turkish delegation
<u>Date:</u>	12 September 1963
<u>Subject:</u>	Problems relating to manpower in Turkey

Ankara, 12 September 1963

Sir,

In response to the wishes expressed by you during these negotiations, I have the honour to advise you that the Community agrees, that having regard to the provisions of Articles 4 and 12 of the association agreement, the Association Council should study, as from the preparatory stage, problems relating to manpower in Turkey.

I would be grateful if you would kindly acknowledge receipt of this letter.

Accept, Sir, the assurances of my highest consideration.

(sgd) Günther SEELIGER
President of the delegation of the
European Economic Community

COPY

<u>Letter from:</u>	Mr. Hasan Esat IŞIK, Ambassador, President of the Turkish delegation
<u>To:</u>	Mr. Günther SEELIGER, President of the delegation of the European Economic Community
<u>Date:</u>	12 September 1963
<u>Subject:</u>	Reply to the letter from the President of the delegation of the European Economic Community

Ankara, 12 September 1963

Sir,

By your letter of 12 September 1963 you have communicated the following to me:

"Sir,

In response to the wishes expressed by you during these negotiations, I have the honour to advise you that the Community agrees that, having regard to the provisions of Articles 4 and 12 of the association agreement, the Association Council should study, as from the preparatory stage, problems relating to manpower in Turkey.

I would be grateful if you would kindly acknowledge receipt of this letter."

I have the honour to acknowledge receipt of this communication.

Accept, Sir, the assurances of my highest consideration.

(sgd) Hasan Esat IŞIK
President of the Turkish delegation