

**GENERAL AGREEMENT
ON TRADE IN SERVICES**

GATS/SC/88
15 April 1994
(94-1086)

TURKEY

Schedule of Specific Commitments

(This is authentic in English only)

TURKEY - SCHEDULE OF SPECIFIC COMMITMENTS

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
I. HORIZONTAL COMMITMENTS			
ALL SECTORS INCLUDED IN THIS SCHEDULE*	1) None 2) None 3) All investment to be made within the range of \$50,000 and \$150,000,000 by non residents (natural or juridical persons) through: - the establishment of incorporated or limited liability companies;		

* The conditions and criteria, required for obtaining all the permissions and authorizations which are indicated in the schedule and those which are applied for becoming a member of all the related chambers, do not limit market access or qualify national treatment within the scope of Articles XVI and XVII.

TURKEY (continued)

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
	Limitations on market access	Limitations on national treatment	Additional commitments	
	<ul style="list-style-type: none"> - the purchase of shares including the portfolio investment registered under the Foreign Investment Encouragement Law No. 6224 (portfolio investment, according to the Article No. 15-F of the Decree No. 32 is subject to the registration within the framework of the Law No. 6224, if the investor desires to participate in the board of directors or general assembly of the company, as well as to interfere in the management of it in any other way); - the opening of branches; and - the creation of liaison offices, 			

TURKEY (continued)

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
	<p>will be authorized by the General Directorate of Foreign Capital provided which activities are beneficial to the economic development of Turkey, are in the areas open to the Turkish private sector and do not entail a monopoly or special privilege. Foreign investment above \$ 150 million requires the approval of the Council of Ministers. A new Decree removing this limitation is under preparation. The capital must be brought in as foreign exchange.</p> <p>Authorization is required for the investments by established foreign-owned enterprises or joint ventures in a new line of business and for participation or takeover of existing enterprises. For the investments in the same line of business, proposals are generally approved as a matter of course.</p> <p><u>Real estate</u></p> <p>Foreign firms are permitted to acquire real estate in Turkey pursuant to Foreign Investment legislation provided that the real estate to be acquired is related to the investor's permitted activities. However, foreign-controlled enterprises are prohibited from engaging in real estate trading.</p>		

TURKEY (continued)

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
	Limitations on market access	Limitations on national treatment	Additional commitments	
	<p><u>Monopolies</u></p> <p>The following sectors are closed to private investments because of the public monopolies: postal services and telecommunications, railways; administration of harbour and quay; lotteries in cash, football pools and public utilities.</p> <p>4) Unbound except for the entry and temporary stay of natural persons in the following categories:</p>	<p>4) The professional services which are assigned only to Turkish citizens by the specific laws cannot be rendered by foreigners either as service providers or as the personnel of service providers. On the other hand foreign citizens with Turkish origin may work in professions which are assigned only to Turkish citizens with the permission obtained from the Ministry of Interior. Those professions which are assigned only to Turkish citizens are given below:</p>		

TURKEY (continued)

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of national persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
	<p>A. Administrative and technical personnel Work permits for the employment of the below defined administrative and technical personnel of a foreign service provider in the branch, subsidiary, affiliate or representative office are given by the relevant authorities in accordance with the Foreign Capital Legislation and the other Laws concerning the employment of foreigners. The work permits are valid up to 2 years and subject to renewal after that. In addition to the work permits, the Ministry of Interior gives residence permits for the same personnel for the periods of up to 2 years, which can be extended parallel to the work permit-renewals.</p> <p>Managers-executives Persons who primarily direct the organization or one of its departments and who receive only general supervision or direction from higher-level executives, the board of directors or the stockholders of the organization.</p>	<p>1) Doctors, 2) Pharmacists, 3) Nurses, 4) Veterinarians, 5) Responsible directors of the factories producing medicine, 6) Guides, 7) Responsible directors of private hospitals, 8) Responsible directors of travel agencies, 9) Directors of newspapers, 10) Dentists, 11) Notaries, 12) Those personnel working in Free Trade Zones other than managers and qualified personnel, 13) Those personnel undertaking coastal commerce and related activities, 14) Opticians, 15) Doctors, pharmacists and veterinarians dealing with laboratory services, 16) Lawyers who practice in Turkish Courts, 17) Accountants and Certified Public Accountants.</p>	

TURKEY (continued)

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
	<p>Specialist Highly qualified persons who, within an organization, are indispensable for the provision of a specific service by reason of their knowledge at an advanced level of expertise in the field of services, research equipment, techniques or management of the organization.</p> <p>B. Service sellers It is not necessary to obtain work permits and residence permits for natural persons (service sellers as defined below) who stay in Turkey for not more than 30 days, for the purpose of participating in business meetings, business contracts including negotiations for the sale of services, entry into contract to sell services and visit of business establishments, or other similar activities.</p>		

TURKEY (continued)

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
	<p>Service sellers Defined as persons employed or mandated by an organization and who stay temporarily in another signatory country in order to conclude the sale of service on behalf of the organization which employs them or has mandated them. Service sellers may not sell services directly to the general public.</p>		

Note: Turkish legislation related to taxation, prudential and professional competency requirements, immigration policies has not been listed separately in this schedule

TURKEY (continued)

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
II. SECTOR-SPECIFIC COMMITMENTS			
1. BUSINESS SERVICES			
A. Professional services			
a) Legal services (advisory services on foreign and International Law only) (CPC 861*)	1) None 2) None 3) None	1) None 2) None 3) Representation in the Turkish Courts is assigned only to Turkish nationals.	
b) Accounting, auditing and bookkeeping services (CPC 862)	4) None 1) Unbound 2) None 3) Authorized financial advisers' establish their company among themselves after being a member of the related Chamber.	4) None 1) Unbound 2) None 3) Foreign titles and names cannot be used in the titles of partnerships or corporations among Turkish and Foreign Financial Advisers (this restriction will be eliminated by an amendment to the related regulation).	

* Asterisks designate "part of".

1 Foreign financial advisers can be authorized, under reciprocal condition, by the approval of the Prime Minister upon the proposal of the Ministry of Finance. Foreign financial advisers can perform all the accountancy, tax advisory, financial advisory and auditing services without making certification.

TURKEY (continued)

Modes of supply:	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or subsector	Limitations on market access	Limitations on national treatment		Additional commitments
d),e) Engineering and Architectural services (CPC 8671, 8672)	4) Unbound 1) ² None 2) ² None 3) ² None 4) ² None	4) Turkish citizenship is required for Accountants and Certified Public Accountants. 1) None 2) None 3) None 4) None		
B. <u>Computer and related services</u>				
a) Consultancy services related to the installation of computer hardware (CPC 841)	1) ³ None 2) None 3) ³ None 4) ³ None	1) None 2) None 3) None 4) None		
b) Software implementation services (CPC 842)	1) ³ None 2) None 3) ³ None 4) ³ None	1) None 2) None 3) None 4) None		
c) Data processing services (CPC 840)	1) ³ None 2) None 3) ³ None 4) ³ None	1) None 2) None 3) None 4) None		

2) Foreigners may engage in these services after becoming a temporary member of the related Union of Chambers.

3) Computer engineers may engage in these services after becoming a temporary member of the related Union of Chambers.

Modes of supply:		1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or subsector		Limitations on market access		Limitations on national treatment	Additional commitments
F. <u>Other business services</u>					
a) Advertising services (CPC 871)	1) None	1) None	1) None	1) None	
b) Market research services (CPC 864)	2) None	2) None	2) None	2) None	
c) Management consulting services (CPC 865)	3) None	3) None	3) None	3) None	
q) Packaging services (CPC 876)	4) None	4) None	4) None	4) None	
f) Services incidental to hunting (CPC 881)	1) Establishment is required	1) Establishment is required	1) None	1) None	
	2) None	2) None	2) According to the decision of Commission of Hunting by obtaining the hunting licence, foreigners may hunt for 10 days and pay US\$ 50 fee per day.	2) According to the decision of Commission of Hunting by obtaining the hunting licence, foreigners may hunt for 10 days and pay US\$ 50 fee per day.	
	3) Only Group A travel agencies may operate in this field with the condition of obtaining hunting licence	3) Only Group A travel agencies may operate in this field with the condition of obtaining hunting licence	3) None	3) None	
	4) None	4) None	4) None	4) None	

TURKEY (continued)

Modes of supply:		1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or subsector	1)	2)	3)	4)	Additional commitments
	Limitations on market access		Limitations on national treatment		
h) Services incidental to mining (CPC 883, 515)	1) Establishment is required	1) Nationality is required for real persons	1) Nationality is required for real persons		
	2) None	2) None	2) None		
	3) ⁴ None	3) None	3) None		
	4) None	4) None	4) None		
2. COMMUNICATION SERVICES					
A. <u>Postal services</u> (CPC 7511)	1),3) Public monopoly	1),3) Public monopoly	1),3) Public monopoly		
	2) None	2) None	2) None		
	4) Unbound	4) Unbound	4) Unbound		
B. <u>Courier services</u> (CPC 7512)	1),3) None	1),3) None	1),3) None		
	2) None	2) None	2) None		
	4) None	4) None	4) None		
C. <u>Telecommunication services</u>					
a) <u>Voice telephone services</u> (CPC 7521)	1),3) All telecommunication services including basic and value added services are under public monopoly	1),3) All telecommunication services including basic and value added services are under public monopoly	1),3) Public monopoly		

4 Petroleum and Mining Laws specify that services incidental to mining require an operating licence.

TURKEY (continued)

Modes of supply:	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or subsector	Limitations on market access		Limitations on national treatment	Additional commitments
b) Packet-switched data transmission services (CPC 7523)	<p>2) None</p> <p>4) Unbound</p> <p>1),3) This sector is a public monopoly. However, "revenue-sharing" model can be applied in the provision of value-added services in Turkey. In this application, relevant firm provides the equipment and installs the system with all the investment costs born by itself. The firm turns the system over to Turkish PTT before it is put into the service. The operation and maintenance of the system is under the PTT's responsibility. The firm receives a certain amount of revenues of the service for a given period according to a special agreement made with Turkish PTT.</p>		<p>2) None</p> <p>4) Unbound</p> <p>1),3) None</p>	
c) Circuit-switched data transmission services (CPC 7523)	<p>2) None</p> <p>4) Unbound except personnel at the establishment stage of the system in case of revenue-sharing applications.</p> <p>i),3) Public monopoly. Revenue-sharing model may be applied.</p> <p>2) None</p>		<p>2) None</p> <p>4) None</p> <p>1),3) None</p> <p>2) None</p>	

TURKEY (continued)

Mode of supply:	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments	
d) Telex services (CPC 7523)	4) Unbound except personnel at the establishment stage of the system in case of revenue-sharing applications. 1),3) Public monopoly 2) None 4) Unbound	4) None 1),3) Public monopoly 2) None 4) Unbound		
e) Telegraph services (CPC 7522)	1),3) Public monopoly 2) None 4) Unbound	1),3) Public monopoly 2) None 4) Unbound		
f) Facsimile services (CPC 7521-7529)	1),3) Public monopoly 2) None 4) Unbound	1),3) Public monopoly 2) None 4) Unbound		
g) Private leased circuit services (CPC 7522-7523)	1),3) Public monopoly 2) None 4) Unbound	1),3) Public monopoly 2) None 4) Unbound		
h) Electronic mail (CPC 7523)	1),3) Public monopoly. Revenue-sharing model may be applied. 2) None	1),3) None 2) None		

Modes of supply:	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or subsector	Limitations on market access		Limitations on national treatment	
i) Voice mail (CPC 7523)	4) Unbound except personnel at the establishment stage of the system in case of revenue-sharing applications 1),3) Public monopoly 2) None	4) Unbound except personnel at the establishment stage of the system in case of revenue-sharing applications 1),3) Public monopoly 2) None	4) None 1),3) Public monopoly 2) None	
j) On-line information and data-base retrieval (CPC 7523)	4) Unbound 1),3) Public monopoly 2) None	4) Unbound 1),3) Public monopoly 2) None	4) Unbound 1),3) Public monopoly 2) None	
k) Electronic data interchange (CPC 7523)	4) Unbound 1),3) Public monopoly. Revenue-sharing model may be applied. 2) None	4) Unbound 1),3) Public monopoly. Revenue-sharing model may be applied. 2) None	4) Unbound 1),3) None 2) None	
l) Enhanced/value-added facsimile services, incl. store and forward, store and retrieve (CPC 7523)	4) Unbound except personnel at the establishment stage of the system in case of revenue-sharing applications. 1),3) Public monopoly. Revenue-sharing model may be applied. 2) None	4) Unbound except personnel at the establishment stage of the system in case of revenue-sharing applications. 1),3) Public monopoly. Revenue-sharing model may be applied. 2) None	4) None 1),3) None 2) None	

TURKEY (continued)

Modes of supply:	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments	
m) Code and protocol	4) Unbound except personnel at the establishment stage of the system in case of revenue-sharing applications. 1),3) Public monopoly. Revenue-sharing model may be applied. 2) None 4) Unbound except personnel at the establishment stage of the system in case of revenue-sharing applications.	4) None 1),3) None 2) None 4) None		
n) On-line information and/or data processing (CPC 843)	1),3) Public monopoly 2) None 4) Unbound	1),3) Public monopoly 2) None 4) Unbound		

TURKEY (continued)

Modes of supply:		1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments		
3. CONSTRUCTION AND RELATED ENGINEERING SERVICES (CPC 512, 513, 514+516, 517)	1) ⁵ None	1) Investor public entities will give priority to domestic firms in works that they could not do such as engineering, architectural and consultancy services in investments that are not subject to patent and could be carried out with the technology used in Turkey except in projects financed by international institutions. In Government tenders, the ratio of discrimination in favour of national companies is determined by the Ministry accordingly to the Decision of Council of Ministers, advantage can be obtained up to 15 per cent in favour of national companies in determining appropriate value, however, this issue and ratio (also the system to be applied if partnership of national and foreign companies exists) should be mentioned in the bid contract.			

5 Responsible engineers or architects of the firms must be a temporary member of the related Union of Chambers. Foreign contractors or foreign establishments which contracted, solely or jointly with national firms, engineering or architecture-related works with public entities or real and legal persons in the public or private sectors, may employ foreign specialists only for these works with approval of the Ministry of Public Works based on the opinion of the Union of Chambers. Engineers and architects in activities other than those mentioned above could be employed by the decision of Ministry of Public Works upon the opinion of Administrative Committee of Union of Chambers. However, those brought for advisory works by public offices, official and private companies and real persons and legal entities and those who come for technical instruction are not bound to the above rule. These persons may not work in other activities other than those mentioned above. The foreign engineers and architects, who want to stay more than one month in Turkey must apply to the related Union of Chambers in order to become a temporary member.

TURKEY (continued)

Modes of supply:	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments	
<p>5. EDUCATION SERVICES</p> <p>A., B., E. Primary, Secondary and Other Educational services (CPC 921, 922, 929)</p>	<p>2) None</p> <p>3) For Construction Services, establishing ordinary partnership under Civil Code (which is not a legal entity) excluding the ordinary partnership formed for international tenders in Turkey by the non-residents is subject to permission of the Ministry to which the Undersecretariat of Treasury and Foreign Trade (UTFT) is attached.</p> <p>4)⁶ None</p>	<p>2) None</p> <p>3) None</p> <p>4) None</p>	<p>1) None</p> <p>2) None</p> <p>4) None</p>	
	<p>1),3) Real and legal foreign persons directly or by establishing partnership with Turkish citizens may establish international educational institutions (including vocational and technical schools) only for foreign students.</p> <p>2) None</p> <p>4) Foreign teachers may work in primary and secondary educational institutions after taking permission from the Ministry of Education</p>			

6 Responsible engineers or architects of the firms must be a temporary member of the related Union of Chambers.

TURKEY (continued)

Modes of supply:		1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or subsector		Limitations on market access		Limitations on national treatment	Additional commitments
C. <u>Higher education services</u> (CPC 923)	1) None	1) None		1) None	
	2) None	2) None		2) None	
	3) Private universities can only be established by foundations constituted Under Civil Code with the permission of the Council of Ministers, provided that the majority of the administration of such foundations must be Turkish citizens.	3) Private universities can only be established by foundations constituted Under Civil Code with the permission of the Council of Ministers, provided that the majority of the administration of such foundations must be Turkish citizens.		3) None	
	4) None	4) None		4) None	
6. ENVIRONMENTAL SERVICES A. <u>Sewage services</u> (CPC 9401)	1) Unbound	1) Unbound		1) Unbound	
	2) None	2) None		2) None	
	3) None	3) None		3) None	
	4) None	4) None		4) None	
B. <u>Refuse disposal services</u> (CPC 9402)	1) Unbound	1) Unbound		1) Unbound	
	2) None	2) None		2) None	
	3) None	3) None		3) None	
	4) None	4) None		4) None	

TURKEY (continued)

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
C. <u>Sanitation and similar services</u> (CPC 9403)	1) Unbound 2) None 3) None 4) None	1) Unbound 2) None 3) None 4) None	
7. FINANCIAL SERVICES			
Measures applicable to all sectors in financial services			
<u>Banking</u>	Establishment of a bank which has to be in the form of a joint-stock company and opening of the first branch of a foreign bank require authorization from the Council of Ministers. Foreign banks wishing to establish branches or representative offices must not be prohibited from performing banking operations in their country of origin or in the countries where they operate. According to the Banks Act, lending limits for the branches of foreign banks are based on branch capital rather than world-wide capital.		

TURKEY (continued)

Modes of supply: 1) Sector or subsector	Cross-border supply 2) Limitations on market access	Consumption abroad 3) Limitations on national treatment	Presence of natural persons 4) Additional commitments
<p><u>Insurance</u></p>	<p>The establishment of domestic or foreign banks as well as the first branch of a non-resident bank are subject to the same amount of minimum capital requirement. Acquisition or transfer of the shares representing a ratio equal or higher than 10,33 and 50 per cent of the capital is subject to the authorization of the Undersecretariat of Treasury and Foreign Trade.</p> <p>Insurance and reinsurance companies to be established in Turkey have to be in the forms of a joint-stock or a mutual company.</p> <p>Establishment of an insurance and reinsurance company and opening of the branch of a foreign insurance and reinsurance company require prior permission of the Ministry of State, to which the Undersecretariat of Treasury and Foreign Trade is attached. In addition to this permission, obtaining a licence for the operation of these enterprises is needed from the Undersecretariat of Treasury and Foreign Trade.</p> <p>Foreign insurance companies wishing to establish branches must not be prohibited from performing insurance operations in their country of origin or in the countries where they operate.</p>	<p>Foreign insurance and reinsurance companies operating in Turkey by opening branches must have the branch managers residing in Turkey.</p> <p>Insurance intermediaries must reside in Turkey.</p> <p>Foreign commercial presence regarding services auxiliary to insurance is permitted only for consultancy and risk assessment services.</p>	

TURKEY (continued)

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
<p><u>Securities market</u></p>	<p>The establishment of domestic or foreign insurance companies by a real or legal person is subject to the same amount of minimum capital requirement. Acquisition or transfer of the shares representing a ratio equal to or higher than 10,33 and 50 per cent of the capital is subject to the authorization of the Undersecretariat of Treasury and Foreign Trade.</p> <p>For the establishment of capital market institutions the permission of the Capital Market Board is required. If banks or insurance companies apply to the Board to form a mutual fund, the opinion of the Undersecretariat of Treasury and Foreign Trade has to be obtained to finalize the applications. Creation of branches and agencies by non-bank intermediary institutions established in Turkey also requires the Board's permission.</p> <p>In order to participate in intermediary operations regarding the securities to be registered by the Capital Market Board, banks and non-bank intermediary institutions must be established in Turkey and have to get Authorization Certificate from Capital Market Board in accordance with the Capital Market Law.</p> <p>Intermediary institutions and investment corporations can only be established in the form of a joint-stock company.</p>	<p>Establishment of branches and representative offices of foreign non-bank intermediary institutions is not permitted.</p>	

TURKEY (continued)

Modes of supply: 1) Sector or subsector	Cross-border supply 2) Consumption abroad	Commercial presence 3) Limitations on national treatment	Presence of natural persons 4) Additional commitments
<p><u>Authorized institutions</u> (Foreign exchange dealers)</p>	<p>Limitations on market access</p> <p>Additionally, operations of all capital market institutions are subject to the permission of the Board. While giving such permission, the Board issues "Authorization certificates" for the activities to be carried out by each institution.</p> <p>In order to engage in activities as an authorized institution, the permission of the Undersecretariat of Treasury and Foreign Trade must be obtained.</p> <p>If non-resident legal entities engage in activities as an authorized institution by establishing a company or participating in the existing companies as well as by opening a branch, the document certified by the authorities of the country in which the company was incorporated is required, showing that the company was in the business of foreign exchange trading and was not subject to any restriction on this matter.</p> <p>Authorized institutions must be incorporated in the form of a joint-stock company.</p> <p>Establishment of an authorized institution and opening a branch of foreign legal entities performing similar activities necessitates a minimum capital requirement which is an equal amount for both residents and non-residents.</p>	<p>Limitations on national treatment</p>	<p>Additional commitments</p>

TURKEY (continued)

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
<p>A. <u>Insurance and insurance related services</u></p> <p>a) Direct insurance</p> <p>i) Non-life</p>	<p>1),2) Unbound except:</p> <p>a) The hull insurance of the aeroplanes, helicopters and ships which were purchased through a foreign loan or leased through a financial leasing contract, can be done abroad provided that the insurance period must be limited to the term of either a credit or a leasing contract;</p> <p>b) Marine liability insurance;</p> <p>c) Transportation insurance concerning imports and exports;</p> <p>d) Individual accident and motor vehicle insurance for people who are going to travel abroad.</p>	<p>1),2) None</p>	

TURKEY (continued)

Modes of supply:		1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments		
	3) None	3) Compulsory traffic insurance for the public sector vehicles can only be done by the insurance companies the majority of whose capital as well as the members of the board of directors and the auditors must be Turkish.			
	4) None	4) None	3) Insurance premiums paid for the workers and other employees cannot be deducted from corporations tax, should these personnel be insured by the branches of foreign insurance companies.		
ii) Life	3) None	3) In order to deduct the insurance premiums from gross wages for determining the real taxable-income, those employees must not be insured by the branches of foreign insurance companies.			
	4) None	4) None			

TURKEY (continued)

Modes of supply:	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or subsector	Limitations on market access		Limitations on national treatment	Additional commitments
b) Reinsurance and retrocession	<p>1),2) After holding the necessary retention, certain percentage of the value of remaining non-life insurance premiums collected in Turkey can be reinsured and retroceded in Turkey or abroad. However, if the retention amount reaches 75 per cent of total non-life insurance premiums, all the remaining value, without being subject to the restriction in the first sentence, can be reinsured and retroceded in Turkey or abroad.</p> <p>3) None</p> <p>4) None</p>		<p>1),2) None</p> <p>3) None</p> <p>4) None</p>	
c) Insurance intermediation	<p>1),2) Insurance intermediation can only be done on behalf of insurance companies established in Turkey. Foreign companies not operating in Turkey cannot sell policies by any means.</p> <p>3) Insurance intermediaries may only operate in insurance related fields.</p> <p>4) Unbound except administrative and technical personnel.</p>		<p>1),2) None</p> <p>3) None</p> <p>4) None</p>	
d) Services auxiliary to insurance	<p>1),2) None except adjusters.</p> <p>3) None</p> <p>4) None except adjusters.</p>		<p>1),2) Adjusters should be Turkish citizens.</p> <p>3) None</p> <p>4) Adjusters should be Turkish citizens.</p>	

TURKEY (continued)

Modes of supply:	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or subsector	Limitations on market access	Limitations on national treatment	Limitations on national treatment	Additional commitments
<p>B. <u>Banking and Other Financial services</u></p>				
<p>e) Acceptance of deposit</p>	<p>1),2) None</p> <p>3) No real person or legal entity other than those authorized under the Banks Act or under specific laws may accept deposits.</p> <p>4) None</p>	<p>1),2) None</p> <p>3) None</p> <p>4) None</p>	<p>1),2) None</p> <p>3) None</p> <p>4) None</p>	
<p>f) Lending of all types</p>	<p>1),2) None</p> <p>3) None</p> <p>4) None</p>	<p>1),2) None</p> <p>3) None</p> <p>4) None</p>	<p>1),2) None</p> <p>3) None</p> <p>4) None</p>	
<p>g) Financial leasing</p>	<p>1),2) Lease must be permitted by the Undersecretariat of Treasury and Foreign Trade.</p> <p>3) Foreign financial leasing companies may open a branch in Turkey provided that they are involved in financial leasing in their home country or in the countries where they operate. Permission of the Ministry to which the Undersecretariat of Treasury and Foreign Trade is attached is required.</p> <p>4) None</p>	<p>3) The minimum paid-in capital for opening a branch by a foreign leasing company is more than that of establishing a leasing company.</p> <p>4) None</p>	<p>1),2) None</p>	

TURKEY (continued)

Modes of supply: 1) Sector or subsector	2) Cross-border supply	3) Consumption abroad	4) Commercial presence	5) Presence of natural persons
	Limitations on market access	Limitations on national treatment		Additional commitments
h) All payment and money transmission services	1),2) None 3) Transfers of foreign exchange abroad must be carried out through the banking system. 4) None	1),2) None 3) None 4) None		
i) Guarantees and commitments	1),2) None except that performance bonds with the transactions specified in the State Tender Law must be obtained from a bank operating in Turkey. 3) None 4) None	1),2) None 3) None 4) None		
j) Trading for own account or for account of customer	1),2) None 3) Capital Market Institutions' engage in trading of money market instruments 4) None	1),2) None 3) None 4) None		

7 According to the Capital Market Law, capital market institutions are specified as follows:

- a) Banks and non-bank intermediary institutions;
- b) Investment Corporations;
- c) Mutual Funds;
- d) Other capital market institutions permitted to operate in the capital market such as clearing and custodial houses, rating, auditing and advisory institutions, etc.

TURKEY (continued)

Modes of supply:		1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or subsector		Limitations on market access	Limitations on national treatment	Limitations on national treatment	Additional commitments
ii) Foreign exchange		1),2) None 3) Banks and authorized institutions engage in foreign exchange trading. 4) None	1),2) None 3) None 4) None	1),2) None 3) None 4) None	
iv) Exchange rate and interest rate instruments		1),2) None 3) Banks can engage in trading of these instruments. Capital Market institutions other than banks, authorized to act as intermediaries for the contracts regarding financial indicators, capital market instruments, commodities and precious metals, can also engage in trading of these instruments.	1),2) None 3) None	1),2) None 3) None	
v) Transferable securities		4) None 1),2) None 3) The Capital Market Institutions can engage in trading of transferable securities. 4) None	4) None 1),2) None 3) None 4) None	4) None 1),2) None 3) None 4) None	

TURKEY (continued)

Modes of supply:	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or subsector	Limitations on market access	Limitations on market access	Limitations on national treatment	Additional commitments
vi) Other negotiable instruments including bullion	1),2) None 3) The capital market institutions can engage in trading of these instruments and assets. However, banks, authorized institutions and intermediary institutions operating in Gold Exchange can engage in trading of bullion.	1),2) None 3) None	1),2) None 3) None	
k) Underwriting and placement	4) None 1),2) None 3) Banks and non-bank intermediary institutions can provide underwriting and placement services for the securities to be issued after being registered by the Capital Market Board.	4) None 1),2) None 3) None	4) None 1),2) None 3) None	
m) - Asset management portfolio management	4) None 1),2) None 3) Banks, intermediary institutions and portfolio management institutions can provide these services.	4) None 1),2) None 3) None	4) None 1),2) None 3) None	

TURKEY (continued)

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
- Collective investment management	1),2) None 3) Mutual funds and investment corporations can engage in collective investment management. 4) The majority of the members of the board of directors of an investment corporation must have Turkish nationality.	1),2) None 3) None 4) None	
- Custodial, depository and trust services	1),2) None 3) The Capital Market Institutions can provide these services. 4) None	1),2) None 3) None 4) None	
n) Settlement and clearing services	1),2) None 3) Only the clearing house established within the Stock Exchange of Istanbul provides these services. 4) None	1),2) None 3) None 4) None	
o) Provision and transfer of financial information	1),2) None 3) None 4) None	1),2) None 3) None 4) None	

TURKEY (continued)

Modes of supply:		1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or subsector		Limitations on market access	Limitations on national treatment		Additional commitments
p) Advisory, intermediation and other auxiliary services;		1),2) None 3) Intermediation services can be provided by banks and intermediary institutions. 4) None	1),2) None 3) None 4) None		
8. HEALTH RELATED AND SOCIAL SERVICES					
A. Hospital services (CPC 9311)		1) Unbound* 2) None 3) Foreigners may establish private hospitals with the permission of Ministry of Health. 4) Unbound	1) None 2) None 3) None 4) Unbound		

* Unbound due to the lack of technical feasibility.

TURKEY (continued)

Modes of supply:		1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments		
<p>9. TOURISM AND TRAVEL RELATED SERVICES</p> <p>A. <u>Hotels and restaurants</u> (CPC 641-643)</p>	<p>1) Unbound*</p> <p>2)⁸ None</p> <p>3) None</p> <p>4) After receiving the permission of the Ministry of Interior based on the affirmative opinion of the Ministry of Tourism, the hotels and restaurants with the tourism encouragement certificate, may employ foreign personnel. But the amount of foreign personnel that would be employed in an enterprise should not exceed 10 per cent of the total personnel. This amount could be increased up to 20 per cent by the decision of the related Ministry.</p>	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) None</p>			

* Unbound*: Unbound due to the lack of technical feasibility.

8 Turkish citizens may travel abroad without any restriction. Only, they are required to pay, with certain exceptions, a TL amount equivalent up to US\$ 100 to the Public Housing Fund, for each exit. The Turkish citizens going abroad for education and health purposes, as well as the ones who are either employed or assigned to permanent official duties in foreign countries, are exempt from that payment.

TURKEY (continued)

Modes of supply: 1) Sector or subsector	2) Cross-border supply	3) Consumption abroad	4) Commercial presence	5) Presence of natural persons
	Limitations on market access	Limitations on national treatment		Additional commitments
<p>B. <u>Travel Agencies and Tour Operators services</u> (CPC 7471)</p>	<p>1) Establishment is required</p> <p>2) None</p> <p>3) None</p>	<p>1) Foreign travel agencies may not organize tours abroad.</p> <p>2) None</p> <p>3) In case of bringing into the country of US\$80,000 foreign exchange income from the tours organized by the travel agencies (to Turkey), the temporary operating certificates of A Class Travel Agencies are changed with permanent operating certificate. The amount of foreign exchange stipulated for this transaction is three times more for foreign travel agencies.</p> <p>The amount of guarantees required for foreign travel agencies is twice as much as national ones. Foreign travel agencies and branches can not benefit from the credits given by Turkish Development Bank to domestic ones. Foreign Travel Agencies may only take A class or temporary A class operating certificates.</p> <p>The minimum amount of capital to be brought (to Turkey) by the branches of foreign travel agencies in order to be granted Operation Certificate is determined by the Ministry of Tourism with the appropriate opinion of the Ministry of Finance.</p>		

TURKEY (continued)

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Licitations on market access	Limitations on national treatment	Additional commitments
<p>11. TRANSPORT SERVICES</p> <p>A. <u>Maritime Transport services</u></p> <p>a) Passenger transportation (CPC 7211)</p>	<p>4) None</p> <p>1) None except cabotage</p> <p>2) None</p> <p>3)⁹ In order to fly the Turkish flag, the shipping companies must have the majority of 51 per cent Turkish shareholders.</p> <p>4) Captain and crew of the Turkish flag vessels should be Turkish residents.</p>	<p>4) None</p> <p>1) Charges taken for port services from foreign and Turkish ships may differ in favour of Turkish flag vessels according to the tariffs on port charges which are determined by the port administrations.</p> <p>2) None</p> <p>3) None</p> <p>4) Turkish nationality is required for captain and crew.</p>	

9 All Turkish ships shall fly the Turkish flag. A ship shall be regarded as Turkish only if its owner (or owners) is/are Turkish. However, the following ships shall also be considered as Turkish: i) Ships which belong to legal persons such as bodies, institutions, associations and foundations set up in accordance with Turkish Law, the majority of whose Board of Directors are of Turkish nationality. ii) Ships which belong to the trading companies the majority of whose managerial staff and representatives are of Turkish nationality and are registered on the Turkish Trade Register.

TURKEY (continued)

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
	Limitations on market access	Limitations on national treatment		Additional commitments
<p>b) Freight transportation (CPC 7212)</p>	<p>1) None except cabotage</p> <p>2) None</p> <p>3)⁹ In order to fly the Turkish flag, the shipping companies must have the majority of 51 per cent Turkish shareholders.</p>	<p>1) The vessels flying Turkish flag either bidding for public cargoes to be shipped to overseas countries or carrying strategic raw materials are benefited from the preference given in favour of them (i.e. they are entitled to be awarded the bids even though their quotations are up to 10 % higher than the lowest foreign flag vessels quotations)</p> <p>The Undersecretariat of Treasury and Foreign Trade is authorized to permit the public entities to have their imported goods transported by foreign flag vessels.</p> <p>Charges taken for port services from foreign and Turkish ships may differ in favour of Turkish flag vessels according to the tariffs on port charges which are determined by the port administrations.</p> <p>2) None</p> <p>3) None</p>		

9 All Turkish ships shall fly the Turkish flag. A ship shall be regarded as Turkish only if its owner (or owners) is/are Turkish. However, the following ships shall also be considered as Turkish. i) Ships which belong to legal persons such as bodies, institutions, associations and foundations set up in accordance with Turkish Law, the majority of whose Board of Directors are of Turkish nationality. ii) Ships which belong to the trading companies the majority of whose managerial staff and representatives are of Turkish nationality and are registered on the Turkish Trade Register.

TURKEY (continued)

Modes of supply:	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or subsector	Limitations on market access		Limitations on national treatment	Additional commitments
c) Rental of vessels with crew (CPC 7213)	4) Captain and crew of the Turkish flag vessels should be Turkish residents. 1) None 2) None 3) None 4) None	4) None 1) Vessels rented by foreigners may not operate inside the Turkish coastal waters. 2) This kind of vessels are considered as foreign vessels and do not have to fly the Turkish flag. 3) None 4) None		
d) Maintenance and repair of vessels (CPC 8868)	1) None 2) None 3) None 4) None	1) None 2) None 3) None 4) None		
C. <u>Air transport services</u>				
a) Selling of air transport services	1) Foreign airline companies may sell their tickets by opening sales offices in Turkey. 2) None 3) None 4) None	1) None 2) None 3) None 4) None		

TURKEY (continued)

Modes of supply:		1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or subsector		Limitations on market access		Limitations on national treatment	Additional commitments
b) Computer reservation systems	1) None	1) None		1) None	
	2) None	2) None		2) None	
	3) None	3) None		3) None	
	4) None	4) None		4) None	
c) Maintenance and repair of aircraft (CPC 8868)	1) None	1) None		1) None	
	2) None	2) None		2) None	
	3) Authorization from the Ministry of Transport is necessary to perform functions for the maintenance and repair of aircraft.	3) Authorization from the Ministry of Transport is necessary to perform functions for the maintenance and repair of aircraft.		3) None	
	4) None	4) None		4) None	
E. Rail transport services (CPC 7111, 7112)	1) Internal rail transportation is a public monopoly.	1) Internal rail transportation is a public monopoly.		1) None	
	2) None	2) None		2) None	
	3) Internal rail transportation is a public monopoly.	3) Internal rail transportation is a public monopoly.		3) None	
	4) None	4) None		4) None	

TURKEY (continued)

Modes of supply:		1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or subsector		Limitations on market access		Limitations on national treatment	
				Additional commitments	
F. Road transport services					
a)	Passenger transportation (CPC 7121 + 7122)	1) Unbound		1) Unbound	
b)	Freight transportation (CPC 7123)	2) None		2) None	
		3) Turkish citizenship or being a legal entity established under the relevant Turkish laws are required for obtaining a carrier licence given by the Ministry of Transport in order to become an international transporter.		3) None	
		4) None		4) None	