

APPENDIX 5 TO ANNEX IX

**TURKEY – LIST OF MFN EXEMPTIONS REFERRED TO IN ARTICLE 3.3**

Sector or Sub sector	Description of measure indicating its inconsistency with Article 3.3	Countries to which the measure applies	Intended duration	Conditions creating the need for the exemption
ALL SECTORS	<p>(a) Extending full national treatment for the investments of the nationals or companies of countries with which a Bilateral Investment Treaty is concluded.</p> <p>(b)(i) Executing the transfers, in specific periods, of the nationals and companies of certain countries which made investments in Turkey.</p> <p>(ii) Granting foreign exchange risk guarantee for certain countries for the transfers which are not realized due to the difficulties in balance of payments.</p> <p>(c) Covering "trade risk" in subrogation for one country.</p> <p>(d) The agreements with three countries, the MFN Articles of which do not include the derogation paragraphs relating to the privileges which are accorded to the investors of the third countries resulting from its membership in or associated with a free trade zone, an economic cooperation, a customs union or a common market.</p>	<p>All countries with which agreements are or will be in force.</p> <p>Belgium-Luxembourg, Kuwait</p> <p>Japan</p> <p>Japan, Bangladesh, Germany</p>	Indefinite	Desire to create favourable conditions for a greater economic cooperation between Turkey and mentioned countries and to encourage investments by nationals and companies of one country in the territory of the other countries.
ALL SECTORS	The restriction in the transfer of the premiums for long-term insurance schemes and the employment of the foreign country workers by foreign companies is waived for one country.	Libya	Indefinite	To ensure social security and continuous employment of Turkish workers in the mentioned country.
ALL SECTORS	If the amount of the consulate duties collected from the Turkish nationals by any country is higher than the amounts written in the tariff list, the amounts of consulate duties which are collected from the nationals of that country will be increased reciprocally.	All countries	Indefinite	Desire to ensure equal treatment to Turkish nationals.

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ALL SECTORS	On the condition that the legal provisions are reserved and with the condition of reciprocity, the foreign real persons could own real estates in Turkey by acquisition or by inheritance.	All countries	Indefinite	To secure the right of Turkish nationals to acquire real estates in a foreign country.
Professional Services	If any foreign country lays down legal and administrative conditions against Turkish citizens for performing arts and supplying services, the similar activities of the citizens of that country could be prohibited in Turkey.	All countries	Indefinite	Desire to create favourable circumstances for Turkish citizens to perform their activities under equal conditions in the other countries.
Transportation Services	The income and corporate tax rates for the foreign road, maritime and air transport companies can reciprocally be decreased down to zero or increased to a new rate not exceeding one fold of the existing rate can be determined, as a country by country basis either for each transportation type separately or for all types of them.	All countries	Indefinite	Desire to facilitate and to lower the costs of transportation services between Turkey and other countries.
Transportation Services	Transit or bilateral transportation services, can be excluded from VAT. This exception is granted, with the condition of reciprocity, to the related countries' tax payers who do not have the residence, legal and business centre in Turkey.	All countries	Indefinite	Desire to lower costs and to create favourable conditions for the provision of services in this sector.
Transportation Services	To apply, on the basis of reciprocity, restrictions, prohibitions, different treatments and different tariffs to the goods and transportation vehicles of the countries which apply restrictions, prohibitions and different treatments to the Turkish road, air and maritime transportation vehicles.	All countries	Indefinite	Desire to secure the smooth functioning of mutual transportation services.
Air Transport Services - Ground Handling Services	Reciprocity condition applies	All countries	Indefinite	Desire to ensure effective market access and equivalent treatment for Turkish service suppliers
Road Transport Services	To grant, on the basis of reciprocity, the privileges about the quotas and fees, the exemptions from the permission procedures.	All countries with which agreements are or will be in force.	Indefinite	Desire to facilitate road transport services between Turkey and other countries.

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Rail Transport Services	The bilateral reduction in the renting fees of railway wagons of countries mentioned aside (paragraph a) and the application of national treatment to tariff rates on the reciprocal transportation of goods with the countries mentioned aside (paragraph b).	a) Syria, Iraq, Iran, Lebanon b) Commonwealth of Independent States and the Baltic Republics.	Indefinite	Desire to facilitate rail transport services between Turkey and other countries.
Accounting, Auditing and Book-keeping Services	In order to perform the services under the title of "financial advisor", the citizens of the countries which have officially codified the principles for the profession of financial advisory may be authorised, under reciprocal conditions, provided that these persons should have the characteristics required for the professional of financial advisory in Turkey and should have rights to perform similar services in their own countries.	All countries	Indefinite	Desire to create favourable conditions for Turkish financial advisors to perform their jobs under equal conditions all over the world.