



FREE ZONES IN TURKEY

MINISTRY OF ECONOMY

DIRECTORATE GENERAL OF FREE ZONES,
OVERSEAS INVESTMENT AND SERVICES

02/11/2017



OVERVIEW OF TURKISH FREE ZONES

Defining Free Zones



Investment Sites for International Trade



Industrial, commercial and service activities

FREE TRADE ZONE



Outside of the National Customs Territory



Reduced and Alternated Tax Implementations



- Have special regulatory treatment for the operating users in order to promote exports of goods and services
- Are Regarded as Outside of Domestic Tariff Area Thus Having No Customs Duty or Value Added Tax
- Operate Under Single Bureaucratic Window
- Have No Exchange Limitations

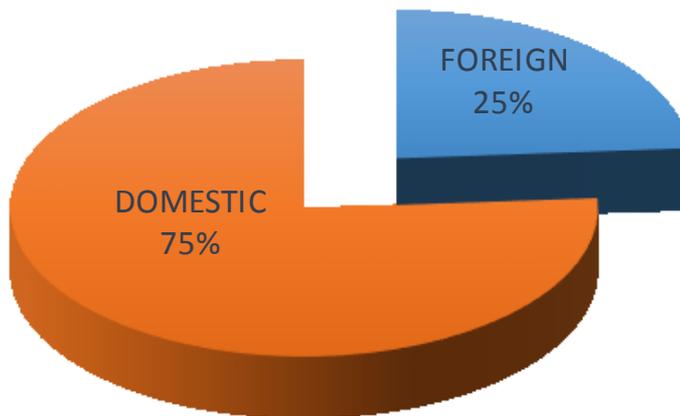
Basic Objectives of the of Free Zones

- ✓ Promoting export oriented investment and production.
- ✓ Accelerating foreign direct investment and technology access.
- ✓ Directing enterprises towards export.
- ✓ Developing international trade.

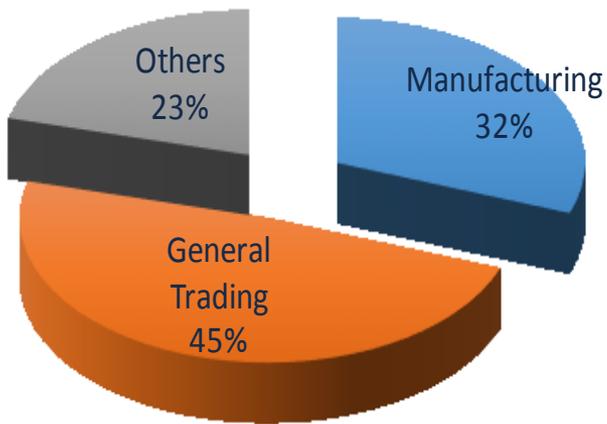


- ✓ 18 Free Zones
- ✓ 2,091 Companies
 - 527 Foreign
 - 1,564 Domestic

Number of Companies

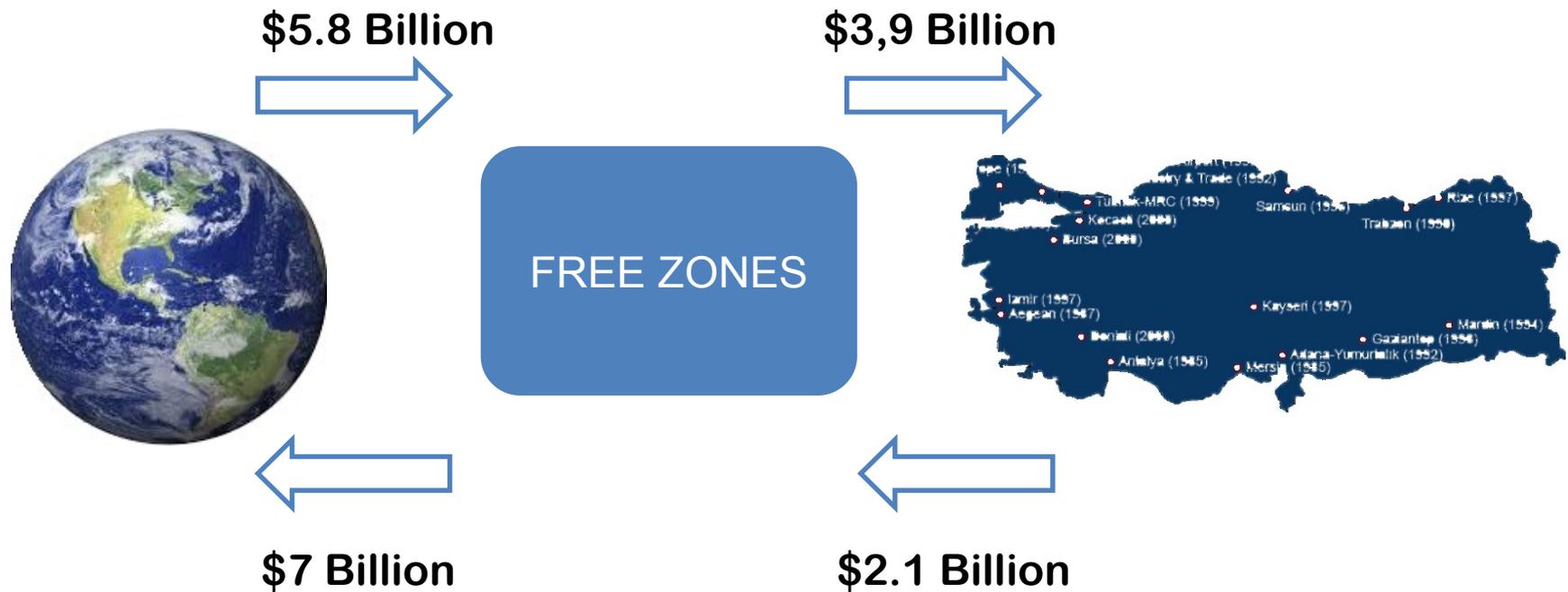


Number of Licenses



- ✓ 2,884 Licenses
 - 941 Manufacturing
 - 1,287 General Trading
 - 656 Others
- ✓ 66,095 Employment

✓ Total trade volume in 2016 was 19.03 Billion USD.





GOVERNANCE OF TURKISH FREE ZONES



PROCEDURE FOR SETTING UP A FREE ZONE

Phase 1- APPLICATION:

Public or Private, Feasibility, If Accepted Phase 2

Phase 2- LEGISLATION

The Issuance of Council of Ministers Decision

Phase 3- CONTRACTS

The Signing of Contracts Between GD and the Developer

Phase 4- INAUGURATION

Fences, The Administrative Buildings,
The Official Inauguration of the Zone



GOVERNANCE OF TURKISH FREE ZONES

1st Model

80's

Public Land
+
Infrastructure
by Public

2nd Model

Early
90's

Public Land
+
Infrastructure
by Private
Sector

3rd Model

Late
90's

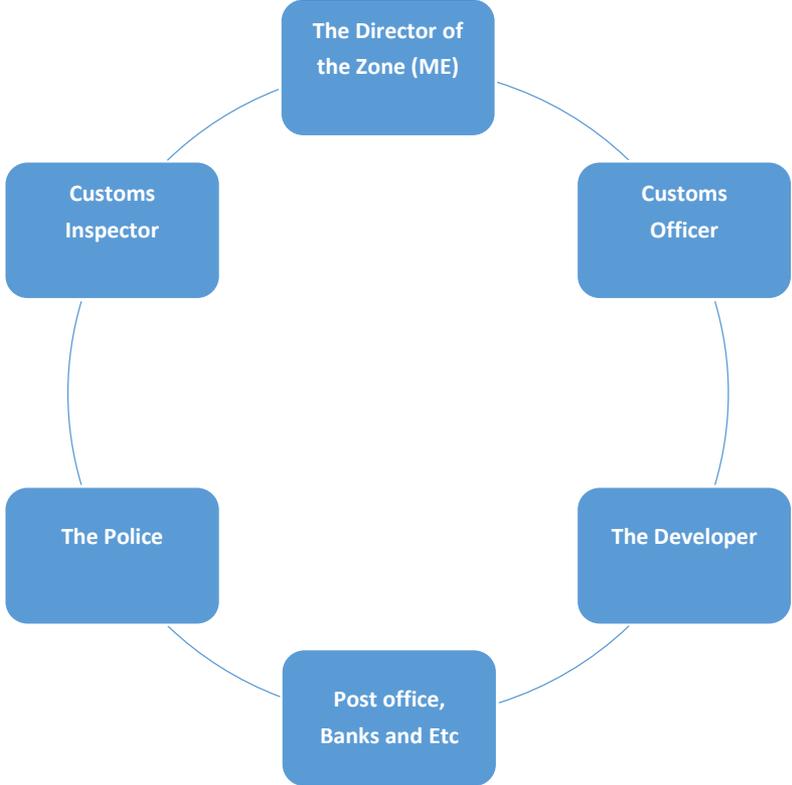
Private Land
+
Infrastructure
by Private
Sector



ACTIVITIES

- Manufacturing
- General Trading
- R&D, Software
- Soring and Packaging
- Banking and insurance
- Assembly & Disassembly
- Maintenance services

OFFICIAL ZONE ADMINISTRATION





Operating License

INVESTOR

- **30 years** for users who build their own working premises.

- **45 years for**
manufacturer-investor users

TENANT

15 years for tenant users.

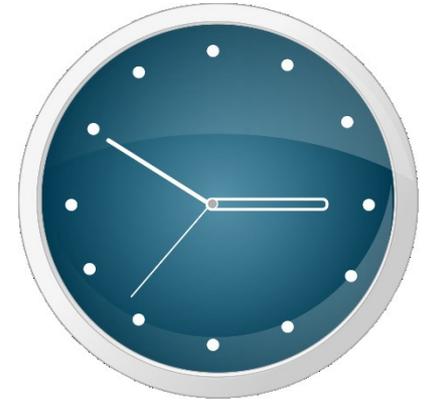
20 years for manufacturer
tenant users.



ADVANTAGES OF TURKISH FREE ZONES

Monetary Incentives

- Corporate Tax Exemption
- Income Tax over Salaries
- Stamp, Duty and Fee Exemption
- Property Tax Exemption
- Logistical services



Turkey
Discover
the potential

Customs Related

- Trade Free from Customs Duty Procedure
- Easy Access to EU Countries
- Companies can decrease their costs by keeping their stocks in a tax-free environment



Operational and Administrative

- Reduced Bureaucratic Procedures and Dynamic Management
- Opportunity to Transfer Profits
- No Time Limitation
- Opportunity of Medium and Long Term Planning



Possible Outcomes for Investing in Free Zones

- **Possible Tax Exemptions especially for producer and logistics companies.**
- **Storing Goods without Customs Duties and VAT without any time restriction**
- **Easy Access to EU Countries due to Customs Union**
- **Geographical advantages in linking modes of transportation.**
- **Reduced bureaucratic procedures and opportunity to transfer profits**





THANK YOU

AYŞE KURU

**Foreign Trade Specialist
MINISTRY OF ECONOMY**

***Directorate General of Free Zones, Overseas Investment and
Services***

03122049330

kuruay@ekonomi.gov.tr