



## **SCREENING CHAPTER 30 EXTERNAL RELATIONS**

# **AGENDA ITEM : BILATERAL AGREEMENTS WITH THIRD COUNTRIES**

**Country Session: The Republic of TURKEY  
13 September 2006**



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## **SCREENING CHAPTER 30 EXTERNAL RELATIONS**

### **AGENDA ITEM : BILATERAL AGREEMENTS WITH THIRD COUNTRIES Trade and Economic Cooperation Agreements**

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# 1. Trade and Economic Cooperation Agreements

## Scope:

- to grant each other the MFN treatment with respect to customs duties and other charges in connection with the imports and exports of goods between the two countries
- to ensure the usage of freely convertible currencies in commercial transactions
- to encourage reciprocal participation to economic and commercial fairs, seminars and exhibitions
- to facilitate and accelerate the exchange of information regarding their respective legislation and economic programs
- to establish and embody the mechanism of joint economic committees



## **SCREENING CHAPTER 30 EXTERNAL RELATIONS**

**AGENDA ITEM : BILATERAL AGREEMENTS WITH THIRD COUNTRIES  
Customs Cooperation Agreements and Multilateral Conventions**

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## 2. Customs Cooperation Agreements and Multilateral Conventions (1/12)

### Bilateral Customs Cooperation Agreements (1/3)

#### Legal Basis

- World Customs Organisation (WCO) Instruments
- Annex 7 to Decision No.1/95 of the EC–Turkey Association Council on Mutual Administrative Assistance in Customs Matters between Turkey and the EU
- Protocol D of the Free Trade Agreement between Turkey and EFTA States on Mutual Administrative Assistance (MAA) in Customs Matters between Turkey and the EFTA Member States
- Bilateral MAA Agreements with 43 Countries
- Joint declarations/Protocols on Customs Cooperation with the EU Member or non-Member Countries



## 2. Customs Cooperation Agreements and Multilateral Conventions (2/12)

### Bilateral Customs Cooperation Agreements (2/3)

- Bilateral Agreements on Mutual Administrative Assistance (MAA) and Cooperation in Customs Matters with 43 Countries (12 EU Members + 31 non-EU Members)
- Negotiations on MAA Agreements with 26 countries are in progress (3 EU Members + 23 non-EU Members)



## 2. Customs Cooperation Agreements and Multilateral Conventions (3/12)

### Bilateral Customs Cooperation Agreements (3/3)

- Protocol with Bulgarian Customs regarding some facilitated procedures for vehicles passing through border crossing points between Bulgaria and Turkey (2004)
- Two joint declarations were signed with German Customs Administration
- Memorandum of Understanding with Georgia to enhance the co-operation(26.01.2005)





## 2. Customs Cooperation Agreements and Multilateral Conventions (4/12)

### Multilateral Conventions (1/9)

- International Convention on Mutual Administrative Assistance for the Prevention, Investigation and Repression of Customs Offence (Nairobi Convention)
- International Convention on Simplification and Harmonization of Customs Procedures as amended (Revised Kyoto Convention)
- International Convention on Harmonized Commodity Description and Coding System (Harmonized System Convention)
- Customs Convention on the International transport of Goods Under Cover of TIR Carnets (TIR Convention)
- Customs Convention on the Temporary Importation of Private Road Vehicles
- Customs Convention on the Temporary Importation of Commercial Road Vehicles
- International Convention on the Harmonization of Frontier Controls of Goods
- Convention on Temporary Admission (Istanbul Convention)





## 2. Customs Cooperation Agreements and Multilateral Conventions (5/12)

### Multilateral Conventions (2/9)

#### “International Convention on Mutual Administrative Assistance for the Prevention, Investigation and Repression of Customs Offence- Nairobi Convention”

- Decree of Council of Ministers No. 8/ 4785  
(OG No. 17774, dated 06.08.1982)
- Entry into force: 25.11.1982 (According to Article 17 of the Convention)



## 2. Customs Cooperation Agreements and Multilateral Conventions (6/12)

### Multilateral Conventions (3/9)

#### “International Convention on Simplification and Harmonization of Customs Procedures as amended- Revised Kyoto Convention”

- Law No. 5426  
(OG No. 25985, dated 06.11.2005)
- Body of the Convention, Protocol of Amendment and General Annex
- Decree of Council of Ministers No. 2006/10160 (O.G. No. 26125, dated 31.03.2006)
- Entry into force: 03.08.2006 (According to Article 18 of the Convention)



## 2. Customs Cooperation Agreements and Multilateral Conventions (7/12)

### Multilateral Conventions (4/9)

#### “International Convention on Harmonized Commodity Description and Coding System- Harmonised System Convention”

- Law No. 3501 ratified on 10.11.1988  
(OG No. 19997, dated 22.11.1988)
- Decree of Council of Ministers No. 88/13527  
(OG No. 20006, dated 01.12.1988)
- Entry into force: 01.01.1989



## 2. Customs Cooperation Agreements and Multilateral Conventions (8/12)

### Multilateral Conventions (5/9)

#### “ Convention on Temporary Admission- İstanbul Convention”

- Law No. 5108  
(OG No. 25426, dated 07.04.2004)
- Decree of Council of Ministers No. 2004/7905  
(OG No. 25620, dated 21.10.2004)
- Body of the Convention and Annexes A, B.1. to B.9., C, D and E
- Entry into force: 15.03.2005



## 2. Customs Cooperation Agreements and Multilateral Conventions (9/12)

### Multilateral Conventions (6/9)

#### “Customs Convention on the International Transport of Goods Under Cover of TIR Carnets- TIR Convention”

- Decree of Council of Ministers No. 84/8457 (entry into force:12.05.1985)
- Decree of Council of Ministers No. 85/8993 (OG No. 18711, dated 31.03.1985)
- Decree of Council of Ministers No. 99/1263 (OG No. 23717, dated 06.06.1999)
- Decree of Council of Ministers No. 2001/3005 (OG No. 24558, dated 19.10.2001)
- Decree of Council of Ministers No. 2002/4854 (OG No. 24939, dated 17.11.2002)



## 2. Customs Cooperation Agreements and Multilateral Conventions (10/12)

### Multilateral Conventions (7/9)

#### “International Convention on the Harmonization of Frontier Controls of Goods”

- Law No. 5099  
(OG No. 25376, dated 17.02.2004)
- Decree of Council of Ministers No. 2005/9638  
(OG No. 26024, bis, dated 15.12.2005)
- Entry into force: 21.06.2006





## 2. Customs Cooperation Agreements and Multilateral Conventions (11/12)

### Multilateral Conventions (8/9)

#### “Customs Convention on the temporary importation of private road vehicles”

- Decree of Council of Ministers No:7/14975  
(OG No.16299, dated 28.5.1978)
- Entry into force: 25.07.1983
- Law No: 5098 (ratified the amendments to the Convention)  
(OG No. 25376, dated 17.02.2004)



## 2. Customs Cooperation Agreements and Multilateral Conventions (12/12)

### Multilateral Conventions (9/9)

#### “Customs Convention on the temporary importation of commercial road vehicles ”

- Law No. 5287  
(OG No. 25704, dated 18.01.2005)
- Decree of Council of Ministers No. 2005/8513  
(OG No. 25750, dated 09.03.2005)
- Entry into force: 08.08.2005 (According to the Article 34/2 of the Convention)



## **SCREENING CHAPTER 30 EXTERNAL RELATIONS**

### **AGENDA ITEM : BILATERAL AGREEMENTS WITH THIRD COUNTRIES Bilateral Investment Treaties (BITs)**

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### 3. Bilateral Investment Treaties (1/3)

- As of August 8, 2006, Turkey has signed 56 BITs (called as Agreements on Reciprocal Promotion and Protection of Investments) with third countries (including Bulgaria and Romania). Of these, 41 agreements have entered into force.
- Generally, a typical BIT signed by Turkey contains clauses on treatment of investments and investors, expropriation and compensation, free transfer of profits and returns, subrogation and settlement of disputes between investor and the State.
- Most of these 56 BITs contain clauses on both National Treatment and Most Favoured Nation treatment. A typical Turkish BIT with a third country includes MFN Treatment for the pre-establishment and post-establishment, and NT for post-establishment phases.



### 3. Bilateral Investment Treaties (2/3)

- Of these 56 Agreements, 53 Agreements contain a Regional Economic Integration Organisation (REIO) clause. Only 3 Agreements, signed with the United States, Japan and Bangladesh, do not contain a REIO clause.
- A typical Turkish BIT has a REIO clause formulated as follows:

*“The provisions of this Article (Treatment of Investments) shall have no effect in relation to following agreements entered into by either of the Parties.*

*(a) relating to any existing or future customs union, regional economic organization or similar international agreements,*

*(b) relating wholly or mainly to taxation.”*



### 3. Bilateral Investment Treaties (3/3)

- Except three BITs without an REIO clause, Turkey has not undertaken any commitments (under bilateral or multilateral agreements) concerning direct investments and establishment towards non-EU countries which would constitute an infringement of existing European Community regimes towards non-EU countries according to Article 57(2) of the EC Treaty.



**THANK YOU FOR YOUR ATTENTION**