



BATI ANADOLU SERBEST BÖLGE KURUCU VE İŞLETİCİSİ A.Ş.
WESTERN ANATOLIA FREE ZONE DEVELOPMENT & OPERATING CO.

FREE ZONE ADVANTAGES

Tax Advantages

- Manufacturing companies do not pay corporate tax over the **export revenue** they make in the free zones.
- Manufacturing companies are exempted from income tax on their employees' salaries.
- There are no procedural restrictions regarding price, standards or quality of goods in the Turkish Free Zones.
- Since free zones are part of the Turkey-EU Customs Territory, the goods in free circulation can be sent to the EU Countries by an A.TR certificate. Customs duties for the goods of third country origin are also not paid at the entry into the free zones. However, the goods of third country origin that are not in free circulation can be sent to the EU countries by an A.TR certificate, only after the customs duties are paid over the rates determined in the Common Customs Tariff.
- Since free zones are considered to be beyond the customs line, there is no customs tax, excise taxes, Special consumption taxes or other import expenses for the goods that enter the free zone from abroad.

Opportunity of Medium and Long Term Planning

- The validity period of an operating licence is maximum 20 years for tenant users, and 45 years for users who wish to build their own working spaces in the zone.

Opportunity to Transfer Profits

- Free zone earnings and revenues can be transferred to any country, including Turkey, freely without any prior permission.

Equal Treatment

- The incentives and advantages provided in the free zones are available to all firms regardless of their origin.

No Time Limitation

- The goods can remain in the zones without any time limit.

Managing Trade Activities According to Market Demands and Conditions

- In the Turkish Free Zones, unless the manufacturers demand, any authority regarding prices, quality and standards granted to public institutions and agencies by laws or by other legislation is not valid. Also legislative provisions pertaining to customs and foreign exchange obligations are not applicable in the zones.

Inflation Accounting Opportunity

- Every payment in the Turkish Free Zones is done with Convertible Currencies.

Access to Domestic and Foreign Markets

- In contrast to most of the free zones in the world, sales to the domestic market with the exception of consumer and risky products are allowed.

Reduced Bureaucratic Procedures and Dynamic Management

- During application and operation process bureaucracy is minimized. Professional private sector companies manage free zones.

Competitive Infrastructure Standards

- Infrastructure of the Turkish Free Zones is competitive with international standards

Strategic Location

- Turkish Free Zones are close to the EU and Middle East Markets, adjacent to the major Turkish Ports on the Mediterranean, Aegean and Black Sea and have easy access to international airports and highways.



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TAX EXEMPTIONS IN THE AEGEAN FREE ZONE

	Corporate Tax Exemption	Income Tax Exemption	Value Added Tax (VAT) Exemption	Special Consumption Tax (SCT) Exemption	Customs Duties Exemption	Stamp Duty Exemption
For Manufacturing Companies	✓ *	✓ **	✓	✓	✓	✓
For Assembly-Disassembly, Maintenance Companies	✓ ***	✗	✓	✓	✓	✓
For Trading Companies	✗	✗	✓	✓	✓	✓

* Valid for earnings from exports

** Minimum %85 export

*** %100 export

WHICH FIRMS BENEFIT MORE FROM THE ADVANTAGES?

Operating in a free zone can be more advantageous for the firms which

- Work for export market
- Sell abroad the goods they produce with imported inputs
- Create employment
- Require minimum bureaucracy
- Engage in transit trade, re-export and barter activities
- Prefer to use foreign currency in all transactions (wholesalers, banks, insurance companies, manufacturers)
- Demand modern office and working spaces with good and ready infrastructure

FREE ZONE ACTIVITIES

