FREE TRADE AGREEMENT BETWEEN THE REPUBLIC OF TURKEY AND THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

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PREAMBLE

THE REPUBLIC OF TURKEY (hereinafter referred to as "Turkey")

OF THE ONE PART,

and

THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND, (hereinafter referred to as "the United Kingdom")

OF THE OTHER PART (hereinafter each individually referred to as a "Party" or collectively as "the Parties"),

RECOGNISING their longstanding and strong partnership, their important economic, trade and investment relationship and the necessity to ensure continuity of the existing bilateral trade preferences;

DESIRING to further strengthen their economic relationship as part of and in a manner coherent with their overall relations, and convinced that the Free Trade Agreement between the United Kingdom of Great Britain and Northern Ireland and the Republic of Turkey (hereinafter this "Agreement") will create a new climate for the development of trade and investment between the Parties;

DESIRING to raise living standards, promote economic growth and stability, create new employment opportunities and improve the general welfare by liberalising and expanding mutual trade;

SEEKING to establish clear and mutually advantageous rules governing their trade and to reduce or eliminate the barriers to mutual trade;

RESOLVED to contribute to the harmonious development and expansion of international trade by removing obstacles to trade through this Agreement and to avoid creating new barriers to trade between the Parties that could reduce the benefits of this Agreement;

BUILDING on their respective rights and obligations under the Marrakesh Agreement Establishing the World Trade Organization, done at Marrakesh on 15 April 1994 and other multilateral, regional and bilateral agreements and arrangements to which they are party;

RECOGNISING the importance of sustainable development, including urgent action to protect the environment and combat climate change and its impacts, and the role of trade in pursuing these objectives, consistent with rules and principles under multilateral environmental agreements to which they are party, including the United Nations Framework Convention on Climate Change (UNFCCC);

RECOGNISING the importance of trade facilitation in promoting efficient and transparent procedures to reduce costs and to ensure predictability for the trading communities of the Parties;

IN VIEW OF the Agreement establishing an Association between the European Economic Community and Turkey, signed on 12 September 1963, the Additional Protocols to and Decisions made under it relating to trade;

RECOGNISING the importance of transparency in international trade to the benefit of all stakeholders;

DETERMINED to establish a legal framework for strengthening their trade relations;

HAVE AGREED as follows:

CHAPTER 1

GENERAL DEFINITIONS AND INITIAL PROVISIONS

ARTICLE 1.1

Objectives

1. The Parties hereby establish a free trade area on goods and associated rules in accordance with this Agreement and consistent with Article XXIV of the GATT 1994.

2. The objective of this Agreement is to preserve preferential conditions relating to trade between the Parties, which resulted from the bilateral trading arrangements between the European Union and Turkey, and to provide a platform for further trade liberalisation and facilitation of trade between them.

ARTICLE 1.2

General definitions

For the purposes of this Agreement and unless otherwise specified:

Agreement means the Free Trade Agreement between the United Kingdom of Great Britain and Northern Ireland and the Republic of Turkey;

Agreement on Agriculture means the Agreement on Agriculture, contained in Annex 1A to the WTO Agreement;

Anti-dumping Agreement means the Agreement on Implementation of Article VI of the GATT 1994, contained in Annex 1A to the WTO Agreement;

customs authority or **customs authorities** means:

(a) for Turkey, the Ministry of Trade;

(b) for the United Kingdom, Her Majesty's Revenue and Customs (HMRC) and any other authority competent for customs matters;

customs duty means a duty or charge of equivalent effect imposed on or in connection with the importation or exportation of a good, including any form of surtax or surcharge imposed on or in connection with that importation or exportation, but does not include:

(a) a charge equivalent to an internal tax imposed consistently with Article III of the GATT 1994;

(b) a measure applied in accordance with the provisions of Articles VI or XIX of the GATT 1994, the Anti-dumping Agreement, the SCM Agreement, the Safeguards Agreement, Article 5 of the Agreement on Agriculture or Article 22 of the DSU; or

(c) a fee or other charge imposed consistently with Article VIII of the GATT 1994.

customs value means the value as determined in accordance with the Customs Valuation Agreement;

Customs Valuation Agreement means the Agreement on Implementation of Article VII of the GATT 1994, contained in Annex 1A to the WTO Agreement;

day means calendar day, including weekends and holidays;

DSU means the Understanding on Rules and Procedures Governing the Settlement of Disputes, contained in Annex 2 to the WTO Agreement;

enterprise means any entity constituted or organised under applicable law, whether or not for profit, and whether privately or publicly-owned or controlled, including any corporation, trust, partnership, sole proprietorship, joint venture, or similar organisation;

existing means in effect on the date of entry into force of this Agreement;

GATT 1994 means the General Agreement on Tariffs and Trade 1994, contained in Annex 1A to the WTO Agreement;

good of a Party means a domestic good as it is understood under the GATT 1994 or such a good as the Parties may decide, and includes an originating good of a Party;

GPA means the Agreement on Government Procurement contained in Annex 4 to the WTO Agreement, as amended by the Protocol Amending the Agreement on Government Procurement, done at Geneva on 30 March 2012;

Harmonized System (HS) means the Harmonized Commodity Description and Coding System, including all legal notes and amendments thereto developed by the WCO;

legitimate objective has the same meaning as under Article 2.2 of the TBT Agreement;

measure includes a law, regulation, rule, procedure, decision, administrative action, requirement, practice or any other form of measure by a Party;

originating has the meaning given in the Protocol on Rules of Origin and Origin Procedures;

person unless the context otherwise requires, includes natural and legal persons;

Safeguards Agreement means the Agreement on Safeguards, contained in Annex 1A to the WTO Agreement;

Sanitary or phytosanitary measure means any measure referred to in paragraph 1 of Annex A to the SPS Agreement;

SCM Agreement means the Agreement on Subsidies and Countervailing Measures, contained in Annex 1A to the WTO Agreement;

SPS Agreement means the Agreement on the Application of Sanitary and Phytosanitary Measures, contained in Annex 1A to the WTO Agreement;

TBT Agreement means the Agreement on Technical Barriers to Trade, contained in Annex 1A to the WTO Agreement;

territory means the territory where this Agreement applies as set out under Article 1.3;

TRIPS Agreement means the Agreement on Trade-Related Aspects of Intellectual Property Rights, contained in Annex 1C to the WTO Agreement;

WCO means the World Customs Organization;

WTO means the World Trade Organization; and

WTO Agreement means the Marrakesh Agreement Establishing the World Trade Organization, done at Marrakesh on April 15, 1994.

ARTICLE 1.3

Territorial application

This Agreement shall apply:

(a) for Turkey, to the land territory, internal waters, the territorial sea and the airspace above them, as well as the maritime areas over which it has sovereign rights or jurisdiction for the purposes of exploration, exploitation and preservation of natural resources whether living or non-living pursuant to international law;

(b) for the United Kingdom, to:

(i) the territory of the United Kingdom of Great Britain and Northern Ireland including its territorial sea and airspace;

(ii) all the areas beyond the territorial sea of the United Kingdom, including the sea-bed and subsoil of those areas, over which the United Kingdom may exercise sovereign rights or jurisdiction in accordance with international law;

(iii) the Bailiwicks of Guernsey and Jersey and the Isle of Man (including their airspace and the territorial sea adjacent to them), territories for whose international relations the United Kingdom is responsible, as regards:

(aa) Chapter 2 (National Treatment and Market Access);

(bb) Chapter 3 (Customs Administration and Trade Facilitation);

(cc) Chapter 6 (Sanitary and Phytosanitary Measures);

(dd) Protocol on Rules of Origin and Origin Procedures; and

(iv) any territory for whose international relations the United Kingdom is responsible and to which this Agreement is extended.

ARTICLE 1.4

Territorial extension

1. On exchange of written notifications in accordance with Article 13.3(1), or at any time afterwards, this Agreement, or specified provisions of this Agreement, may be extended to any territories for whose international relations the United Kingdom is responsible, as may be agreed between the United Kingdom and Turkey.

2. At any time after this Agreement is applied to a territory for whose international relations the United Kingdom is responsible in accordance with paragraph 1, the United Kingdom may provide written notice to Turkey that this Agreement, or specified provisions of this Agreement, shall no longer apply to a territory for whose international relations the United Kingdom is responsible. The notification shall take effect six months after the giving of written notice.

ARTICLE 1.5

Relation to multilateral agreements

The Parties affirm their rights and obligations with respect to each other in accordance with the WTO Agreement, including the GATT 1994, GATS and its successor agreements and other multilateral agreements to which both Parties are party.

CHAPTER 2

NATIONAL TREATMENT AND MARKET ACCESS FOR GOODS

ARTICLE 2.1

Objective

The objective of this Chapter is to liberalise trade in goods in accordance with the provisions of this Agreement and in conformity with Article XXIV of the GATT 1994.

ARTICLE 2.2

Scope

This Chapter applies to trade in goods between the Parties, unless otherwise provided for in this Agreement.

ARTICLE 2.3

National treatment

Each Party shall accord national treatment to the goods of the other Party in accordance with Article III of the GATT 1994, including its interpretive notes, and to this end Article III of the GATT 1994 and its interpretive notes are incorporated into and made part of this Agreement, *mutatis mutandis*.

ARTICLE 2.4

Classification of goods

For the purposes of this Agreement, the classification of goods in trade between the Parties shall be governed by each Party's respective tariff nomenclature in conformity with the Harmonized System and its legal notes and amendments.

ARTICLE 2.5

Rules of origin

1. The Parties agree to apply preferential rules of origin in trade between them.

2. The Protocol on Rules of Origin and Origin Procedures lays down the rules of origin and related methods of administrative cooperation.

ARTICLE 2.6

Elimination of customs duties on industrial goods

1. Unless otherwise provided for in this Agreement, each Party shall eliminate all customs duties on originating industrial goods of the other Party.

2. For the purpose of this Article, industrial goods are defined as those products falling within Chapters 25 to 97 of the Harmonized System, with the exception of those products listed in Annex 2-A.

ARTICLE 2.7

Elimination of customs duties on agricultural goods

1. Unless otherwise provided for in this Agreement, each Party shall reduce or eliminate customs duties on originating agricultural goods of the other Party in accordance with Annex 2-B.

2. For the purpose of this Article, agricultural goods are defined as those products falling within Chapters 1 to 24 of the Harmonized System, and also any additional products listed in Annex 2-A.

ARTICLE 2.8

Export duties, taxes and other charges

1. Neither Party shall adopt or maintain any duty, tax, fees or other charges of any kind imposed on the export of goods to the territory of the other Party, unless the duty, tax, fee or charge is also applied to like goods destined for domestic consumption.

2. For the purpose of this Article, fees and other charges of any kind shall not include fees or other charges imposed in accordance with Article 2.9.

ARTICLE 2.9

Fees and charges

1. Each Party shall ensure, in accordance with Article VIII of the GATT 1994 and its interpretative notes, that all fees and charges within the scope of subparagraph 1(a) of Article VIII of the GATT 1994, imposed by that Party on, or in connection with, importation or exportation are limited to the amount of the approximate cost of services rendered, which shall not be calculated on an *ad valorem* basis, and shall not represent an indirect protection to domestic goods or a taxation of imports for fiscal purposes.

2. Each Party shall promptly publish all fees and charges it imposes in connection with importation or exportation, including any updates or changes to such fees and charges, in such a manner as to enable governments, traders and other interested parties, to become acquainted with them.

ARTICLE 2.10

Import and export restrictions

Unless otherwise provided for in this Agreement, neither Party shall adopt or maintain any prohibition or restriction on the importation of any good of the other Party or the exportation or sale for export of any good destined for the territory of the other Party, except in accordance with Article XI of the GATT 1994 and its interpretative notes. To this end, Article XI of the GATT 1994 and its interpretive notes are incorporated into and made part of this Agreement *mutatis mutandis*.

ARTICLE 2.11

Data sharing on preference utilisation

1. For the purposes of monitoring the functioning of this Agreement and calculating preference utilisation rates, each Party shall, upon request of the other Party, annually exchange import statistics starting one year after the entry into force of this Agreement. The Joint Committee may review the process and content of this data exchange.

2. The exchange of import statistics shall cover data pertaining to the most recent year available, including value and, where applicable, volume, at the tariff line level for imports of goods of the other Party benefitting from preferential duty treatment under this Agreement and those that received non-preferential treatment.

CHAPTER 3

CUSTOMS AND TRADE FACILITATION

ARTICLE 3.1

Scope

1. This Chapter shall apply to the matters relating to each Party's customs legislation, other trade-related laws and regulations and general administrative procedures related to trade, including their application to goods traded between the Parties, as well as the cooperation between the Parties.

2. This Chapter shall be implemented by each Party in accordance with its laws and regulations. Each Party shall use its available resources in an appropriate way to implement this Chapter.

ARTICLE 3.2

Definitions

For the purposes of this Chapter:

"Agreement on Trade Facilitation" means the Agreement on Trade Facilitation annexed to the Protocol Amending the Agreement establishing the World Trade Organization (decision of 27 November 2014);

"SAFE Framework" means the SAFE Framework of Standards to Secure and Facilitate Global Trade, adopted at the June 2005 World Customs Organisation Session in Brussels and as updated from time to time; and

"WCO Data Model" means the library of data components and electronic templates for the exchange of business data and compilation of international standards on data and information used in applying regulatory facilitation and controls in global trade, published by the WCO Data Model Project Team from time to time.

ARTICLE 3.3

Objectives and principles

1. The objectives of this Chapter are as follows:

   (a) promoting trade facilitation for goods traded between the Parties while ensuring effective customs controls, taking into account the evolution of trade practices;

   (b) ensuring transparency of each Party's customs legislation and other trade-related laws and regulations and consistency thereof with applicable international standards;

   (c) ensuring predictable, consistent, transparent and non-discriminatory application of each Party's customs legislation and other trade-related laws and regulations;

   (d) promoting simplification and modernisation of each Party's customs procedures and practices;

   (e) further developing risk management techniques to facilitate legitimate trade, while securing the international trade supply chain; and

   (f) enhancing cooperation between the Parties in the field of customs matters and trade facilitation.

2. The Parties recognise the importance of customs and trade facilitation in the evolving global trading environment and will put in place customs arrangements that, where practicable, make use of all available facilitative arrangements and technologies.

3. The Parties affirm their rights and obligations under the Agreement on Trade Facilitation.

4. The Parties recognise that customs and international trade instruments and standards applicable in the area of customs and trade, such as the substantive elements of the following instrument and standards, should be taken into consideration for their import, export and transit requirements and procedures:

   (a) the International Convention on the Simplification and Harmonization of Customs Procedures, done at Kyoto on 18 May 1973 as amended by the Protocol of Amendment to the International Convention on the Simplification and Harmonization of Customs Procedures of 18 May 1973, done at Brussels on 26 June 1999;

(b) the International Convention on the Harmonized Commodity Description and Coding System, done at Brussels on 14 June 1983 as amended by the Protocol of Amendment to the International Convention on the Harmonized Commodity Description and Coding System on 24 June 1986;

(c) the Customs Convention on the ATA Carnet for the Temporary Admission of Goods, done at Brussels on 6 December 1961;

(d) the Convention on Temporary Admission, done at Istanbul on 26 June 1990;

(e) the SAFE Framework; and

(f) the WCO Data Model.

5. The Parties recognise that legislation and other trade-related laws and regulations shall be non-discriminatory, and customs procedures shall be based upon the use of modern methods and effective controls to achieve the protection and facilitation of legitimate trade.

6. The Parties recognise that their customs procedures shall be no more administratively burdensome or trade restrictive than necessary to achieve legitimate objectives and that they should be applied in a manner that is predictable, consistent and transparent.

7. In order to ensure transparency, efficiency, integrity and accountability of operations, each Party shall:

(a) review and simplify requirements and formalities wherever possible with a view to facilitating the rapid release and clearance of goods;

(b) consider the further simplification and standardisation of data and documentation required by customs authorities and other agencies in order to reduce the time and costs thereof for traders or operators, including small and medium-sized enterprises; and

(c) ensure that the highest standards of integrity is maintained, through the application of measures reflecting the principles of the relevant international conventions and instruments in this field.

8. The Parties shall seek to reinforce their cooperation with a view to ensuring that the relevant legislation and procedures, as well as the administrative capacity of the relevant administrations, fulfil the objectives set out in this Chapter.

ARTICLE 3.4

Transparency and publication

1. Each Party shall, as appropriate, provide for regular consultations between border agencies and traders or other interested parties within its territory.

2. Each Party shall, in accordance with its laws and regulations, ensure that new or amended laws and regulations of general application related to customs and trade facilitation issues are published or information on them made otherwise publicly available, as early as possible before their application, in order to enable traders and other interested parties to become acquainted with them.

3. Paragraphs 1 and 2 shall not apply to:

   (a) changes to the rates of customs duties;

   (b) measures that have a relieving effect;

   (c) measures the effectiveness of which would be undermined as a result of compliance with paragraphs 1 and 2;

   (d) measures applied in urgent circumstances; or

   (e) minor changes to domestic law and legal system.

4. Each Party shall promptly make publicly available, in a non-discriminatory and easily accessible manner including online, its laws, regulations, general administrative procedures and guidelines, related to customs and trade facilitation issues. These include:
   (a) importation, exportation and transit procedures (including port, airport, and other entry point procedures), required forms and documents;

   (b) applied rates of customs duties and taxes of any kind imposed on or in connection with importation or exportation;

   (c) fees and charges imposed by or for governmental agencies on or in connection with importation, exportation or transit;

   (d) rules for the classification or valuation of goods for customs purposes;

   (e) laws, regulations and administrative rulings of general application relating to rules of origin;

   (f) import, export or transit restrictions or prohibitions;

(g) penalty provisions against breaches of import, export or transit formalities;

(h) appeal procedures;

(i) agreements or parts thereof with any country or countries relating to importation, exportation or transit;

(j) procedures relating to the administration of tariff quotas;

(k) hours of operation and operating procedures for customs offices at ports and border crossing points; and

(l) points of contact for information enquiries.

5. Whenever practicable, information on general administrative procedures and guidelines, related to customs and trade facilitation and the information referred to in paragraph 4 shall also be made available in a mutually agreed official language of the WTO.

6. Each Party shall establish or maintain one or more enquiry points to address enquiries of interested parties concerning customs and other trade facilitation issues, and shall make information concerning the procedures for making such enquiries publicly available online.

7. A Party shall not require the payment of a fee for answering enquiries or providing required forms.

8. The enquiry points shall answer enquiries and provide the forms and documents within a reasonable time period set by each Party, which may vary depending on the nature or complexity of the request.

9. The information on fees and charges that shall be made publicly available in accordance with subparagraph 4(c) shall include the fees and charges that will be applied, the reason for such fees and charges, the responsible authority and when and how payment is to be made. Such fees and charges shall not be applied until information on them has been made publicly available.

ARTICLE 3.5

Data, documentation and automation

1. With a view to simplifying and minimising the complexity of import, export and transit formalities and documentation requirements, each Party shall ensure as appropriate, that such formalities, data and documentation requirements are adopted or applied:

   (a) with a view to a rapid release of goods, in order to facilitate trade between the Parties; and

   (b) in a manner that aims to reduce the time and cost of compliance for traders and operators.

2. Each Party shall promote the development and use of advanced systems, including those based on information and communications technology, to facilitate the exchange of electronic data between traders or operators and its customs authority and other trade-related agencies. This includes by:

   (a) making electronic systems accessible to customs users;

   (b) allowing a customs declaration to be submitted in electronic format;

   (c) using electronic or automated risk management systems; and

   (d) permitting or requiring the electronic payment of duties, taxes, fees and charges collected by its customs authority and incurred upon importation or exportation.

3. Each Party shall endeavour to make publicly available electronic versions of all existing publicly available trade administration documents.

4. Each Party shall endeavour to accept the electronic versions of trade administration documents as the legal equivalent of paper documents except where:

   (a) there is a domestic or international legal requirement to the contrary; or

   (b) doing so would reduce the effectiveness of the trade administration process.

5. The Parties shall endeavour to cooperate on the development of interoperable electronic systems, in order to facilitate trade between the Parties.

6. Each Party shall work towards further simplification of data and documentation required by their customs authorities or other related agencies.

ARTICLE 3.6

Simplified customs procedures

1. Each Party shall adopt or maintain measures allowing traders or operators fulfilling criteria specified in its laws and regulations to benefit from further simplification of customs procedures.

2. Each Party shall endeavour to ensure that these simplified procedures include:

   (a) customs declarations containing a reduced set of data or supporting documents, including for the movement of low-value consignments;

   (b) the acceptance of payment of customs duties and taxes at a later date after the release of those imported goods, within a period specified by the Party;

   (c) the ability to clear goods from importer or exporter premises;

   (d) the use of a guarantee with a reduced amount or a waiver from use of a guarantee.

3. The Parties agree to cooperate on and consider further measures to reduce the administrative burdens for economic operators in relation to import and export.

ARTICLE 3.7

Release of goods

1. Each Party shall adopt or maintain simplified customs procedures for the efficient release of goods in order to facilitate trade between the Parties and reduce costs for importers and exporters.

2. Each Party shall adopt or maintain procedures that:

   (a) provide for the prompt release of goods within a period no longer than that required to ensure compliance with all applicable requirements and procedures, and as a maximum within 48 hours of the goods being presented to customs, provided

      (i) the Party has received all information necessary to ensure compliance with all applicable requirements and procedures; and

(ii) the goods are not subject to physical inspection;

(b) if applicable and to the extent possible, provide for advance electronic submission and processing of import declarations and other information, including manifests, before physical arrival of goods to enable their release immediately upon arrival if no risk has been identified or if no other checks are to be performed;

(c) allow goods to be released at the point of presentation to its customs authority without temporary transfer to warehouses or other facilities, save for goods which the Party classifies as controlled or regulated goods, in accordance with its laws and regulations;

(d) allow controlled or regulated goods to be released at the point of presentation to its customs authority where possible, subject to any separate procedures which apply to those goods under the Party's laws and regulations;

(e) allow for the release of goods prior to the final determination of customs duties, taxes, fees and charges, if such a determination is not done prior to, or promptly upon arrival, and provided that all other regulatory requirements have been met. Before releasing the goods, the Party may require that an importer provides sufficient guarantee in the form of a surety, a deposit, or some other appropriate instrument; and

(f) if applicable and to the extent possible, provide for, in accordance with its laws and regulations, clearance of certain goods with minimum documentation.

3. Each Party shall use its best endeavours to adopt or maintain procedures under which goods in need of urgent clearance can be released promptly.

4. Each Party shall ensure that its authorities and agencies involved in border and other import and export controls cooperate and coordinate to facilitate trade by, among other things, ensuring a consistent user experience for traders at their respective borders to a reasonable extent.

ARTICLE 3.8

Risk management

1. Each Party shall adopt or maintain a risk management system using electronic data-processing techniques for customs control that enables its customs authority to focus its inspection activities on high-risk consignments and expedite the release of low-risk consignments.

2. Each Party shall design and apply risk management in a manner so as to avoid arbitrary or unjustifiable discrimination, or disguised restrictions to international trade.

3. Each Party shall base risk management on assessment of risk through appropriate selectivity criteria.

4. Each Party may select, on a random basis, consignments for inspection activities referred to in paragraph 1 as part of its risk management.

5. In order to facilitate trade, each Party shall periodically review and update, as appropriate, the risk management system referred to in paragraph 1.

ARTICLE 3.9

Advance rulings

1. Each Party shall issue, through its customs authority, an advance ruling that sets forth the treatment to be provided to the goods concerned. That ruling shall be issued in a reasonable, time bound manner and in any event within 90 days, to an applicant that has submitted a written request, including in electronic format, provided that the request contains all necessary information in accordance with the laws and regulations of the issuing Party. A Party may request a sample of the good for which the applicant is seeking an advance ruling.

2. An advance ruling shall cover tariff classification of the goods, origin of goods including their qualification as originating goods under the Protocol on Rules of Origin and Origin Procedures or any other matter as the Parties may agree.

3. The advance ruling shall be valid for at least a three-year period after its issuance unless the law, facts or circumstances supporting the original advance ruling have changed.

4. A Party may decline to issue an advance ruling if:

   (a) the law, facts or circumstances forming the basis of the advance ruling are the subject of administrative or judicial review;

   (b) where the application is not based on factual information; or

   (c) does not relate to any intended use of the advance ruling.

5. A Party that declines to issue an advance ruling shall promptly notify the applicant in writing, setting out the relevant facts and the basis for its decision.

6. Each Party shall publish online, at least:

   (a) the requirements for an application for an advance ruling, including the information to be provided and the format;

   (b) the time period by which it will issue an advance ruling; and

   (c) the length of time for which the advance ruling is valid.

7. Where a Party revokes, modifies or invalidates an advance ruling, it shall provide written notice to the applicant setting out the relevant facts and the basis for its decision. Where the Party revokes, modifies or invalidates an advance ruling with retroactive effect, it may only do so where the ruling was based on incomplete, incorrect, inaccurate, false or misleading information provided by the applicant.

8. An advance ruling issued by a Party shall be binding on the applicant that sought it and on that Party in respect of that applicant.

9. Each Party shall provide, upon written request of an applicant, a review of the advance ruling or of the decision to revoke, modify or invalidate it.

10. Subject to any confidentiality requirements in its laws and regulations, a Party may publish its advance rulings, including online.

ARTICLE 3.10

Customs valuation

For the purposes of determining the customs value of goods traded between the Parties, the provisions of Part I of the Customs Valuation Agreement shall apply, *mutatis mutandis*.

ARTICLE 3.11

Authorised Economic Operator

1. Each Party shall establish or maintain a trade facilitation partnership programme for operators who meet specified criteria, hereinafter referred to as the Authorised Economic Operator (AEO) programme, in accordance with the SAFE Framework.

2. Each Party shall publish the specified criteria to qualify as an AEO. The specified criteria shall relate to compliance or the risk of non-compliance, in accordance with requirements specified in the Party's laws, regulations or procedures. The Parties may use the criteria set out in Article 7.7.2(a) of the Agreement on Trade Facilitation.

3. The specified criteria to qualify as an AEO shall not be designed or applied so as to afford or create arbitrary or unjustifiable discrimination between operators where the same conditions prevail. The specified criteria shall be designed or applied so as to allow the participation of small and medium-sized enterprises.

4. The AEO programme shall include specific benefits for such operators that meet the specified criteria, taking into account the commitments of each Party under Article 7.7.3 of the Agreement on Trade Facilitation.

5. The Parties are encouraged to enter into a mutual recognition arrangement in relation to their respective AEO programmes.

ARTICLE 3.12

Review and appeal

1. Each Party shall provide effective, prompt, non-discriminatory and easily accessible procedures to guarantee the right of appeal against a decision on a customs matter.

2. Each Party shall ensure that any person to whom it issues a decision on a customs matter has access within its territory to:

   (a) an administrative appeal to, or a review by, an administrative authority higher than or independent of the official or office that issued the decision; or

   (b) a judicial appeal or review of the decision.

3. Each Party shall provide that any person who has applied to a customs authority for a decision and has not obtained a decision on that application within the relevant time-limits be entitled to exercise the right of appeal.

4. Each Party shall provide a person to whom it issues an administrative decision with the reasons for the decision, so as to enable such a person to exercise the right of appeal.

ARTICLE 3.13

Penalties

1. Each Party shall provide for penalties for failure to comply with its customs laws, regulations or procedural requirements related to customs, the exportation, importation and transit of goods.

2. Each Party shall ensure that its customs laws and regulations provide that any penalties imposed for breaches of customs laws, regulations or procedural requirements be proportionate and non-discriminatory.

3. Each Party shall ensure that a penalty imposed by its customs authority for a breach of its customs laws, regulations or procedural requirements is imposed only on the person(s) legally responsible for the breach.

4. Each Party shall ensure that the penalty imposed depends on the facts and circumstances of the case and is commensurate with the degree and severity of the breach. Each Party shall avoid incentives or conflicts of interest in the assessment and collection of penalties and duties.

5. Each Party is encouraged to require its customs authority, when imposing a penalty for a breach of its customs laws, regulations or procedural requirements, to consider as a potential mitigating factor the voluntary disclosure of the breach prior to its discovery by the customs authority.

6. Each Party shall ensure that if a penalty is imposed for a breach of customs laws, regulations or procedural requirements, an explanation in writing is provided to the person(s) upon whom the penalty is imposed, specifying the nature of the breach and the applicable laws, regulations or procedural requirements under which the amount or range of penalty for the breach has been prescribed.

7. Each Party shall provide in its laws, regulations or procedures, or otherwise give effect to, a fixed and finite period within which its customs authority may initiate proceedings to impose a penalty relating to a breach of customs laws, regulations or procedural requirements.

ARTICLE 3.14

Customs cooperation and mutual administrative assistance

1. The Parties shall continue to cooperate in international fora, such as the WCO, to achieve mutually recognised goals, including those set out in the SAFE Framework.

2. The Parties shall cooperate in accordance with the Mutual Administrative Assistance Protocol in Customs Matters providing each other with mutual administrative assistance in customs matters and exchanging information, including on matters relating to suspected customs offences, as defined in that Protocol, and to the implementation of this Agreement.

ARTICLE 3.15

Single window

Each Party shall endeavour to develop or maintain single window systems to facilitate a single, electronic submission of all information required by its customs laws, other laws and regulations for the exportation, importation and transit of goods.

ARTICLE 3.16

Transit and transhipment

Each Party shall:

(a) ensure the facilitation and effective control of transhipment operations and transit movements through its territory;

(b) endeavour to promote and implement regional transit arrangements with a view to facilitating trade;

(c) ensure cooperation and coordination between all concerned authorities and agencies in their respective territories to facilitate traffic in transit; and

(d) allow goods intended for import to be moved within its territory under customs control from a customs office of entry to another customs office in its territory from where the goods would be released or cleared.

ARTICLE 3.17

Post-clearance audit

1. With a view to expediting the release of goods, each Party shall:

(a) adopt or maintain post-clearance audits to ensure compliance with its customs laws, regulations or procedural requirements;

(b) conduct post-clearance audits in a risk-based manner, which may include appropriate selectivity criteria;

(c) conduct post-clearance audits in a transparent manner; and

(d) wherever practicable, use the result of post-clearance audit in applying risk management.

2. Where an audit is conducted and conclusive results have been achieved, the Party shall, without delay, notify the person whose record is audited of the results, the reasons for the results and the audited person's rights and obligations.

3. The Parties acknowledge that the information obtained in a post-clearance audit may be used in further administrative or judicial proceedings.

ARTICLE 3.18

Customs brokers

1. The Parties agree that their respective customs provisions and procedures shall not require the mandatory use of customs brokers.

2. Each Party shall:

(a) publish measures on the use of customs brokers; and

(b) apply transparent, non-discriminatory and proportionate rules if and when licensing customs brokers.

ARTICLE 3.19

Pre-shipment inspections

Each Party shall not require the mandatory use of pre-shipment inspections as defined in the Agreement on Pre-shipment Inspection, contained in Annex 1A to the WTO Agreement, in relation to tariff classification and customs valuation[1].

CHAPTER 4

TECHNICAL BARRIERS TO TRADE

ARTICLE 4

General provisions

1. Articles 2 through 9 of, and Annexes 1 and 3 to the TBT Agreement are incorporated into and made part of this Agreement, *mutatis mutandis*.

2. The Parties shall exchange titles and addresses of contact points with expertise on technical regulations in order to facilitate communication and the exchange of information.

3. Consultations shall be held at the request of the Party which considers that the other Party has taken a measure which is likely to create, or has created, an unnecessary obstacle to trade. Such consultations shall take place without undue delay after the receipt of the request with the objective of finding mutually acceptable solutions. If consultations are held outside the framework of the Joint Committee, it should be informed thereof. Such consultations may be conducted by any agreed method.

[1] For greater certainty, this paragraph only applies to pre-shipment inspections covered by the Agreement on Pre-shipment Inspection, and does not preclude pre-shipment inspections for sanitary and phytosanitary purposes.

4. The Parties shall commence a review of this Article within three months of entry into force of the Trade and Cooperation Agreement between the European Union and the European Atomic Energy Community, of the one part, and the United Kingdom of Great Britain and Northern Ireland, of the other part (hereinafter the "EU-UK Trade and Cooperation Agreement"). This review shall be with a view to replacing, modernising or expanding this Article, and with consideration to replicating provisions on technical barriers to trade and incorporating any arrangement on the mutual recognition of conformity assessment results contained in the EU-UK Trade and Cooperation Agreement.

5. Following the review specified in paragraph 4, the Parties shall enter into negotiations and agree on the text replacing, modernising or expanding this Article, which may incorporate appropriate provisions replicating those contained in the EU-UK Trade and Cooperation Agreement, including any arrangement on the mutual recognition of conformity assessment results.

6. At any time the Parties may choose to instead pursue the review and negotiation of this Article under Article 13.2, in which case the scope of the review and negotiations under Article 13.2 shall include technical barriers to trade.

CHAPTER 5

TRADE REMEDIES

ARTICLE 5.1

Anti-dumping and countervailing measures

1. The Parties reaffirm their rights and obligations arising under Article VI of the GATT 1994, the Anti-dumping Agreement and the SCM Agreement.

2. If a Party finds that dumping or countervailable subsidisation is taking place in trade with the other Party, it will, before the imposition of final measures, notify the other Party.

3. This Agreement does not confer any additional rights or obligations on either Party with regard to the conduct of investigations and application of anti-dumping and countervailing measures, referred to in paragraph 1.

ARTICLE 5.2

Safeguard measures

1. The Parties reaffirm their rights and obligations arising under Article XIX of the GATT 1994 and Safeguards Agreement.

2. A Party intending to adopt safeguard measures shall notify the other Party immediately of such measures and of the rules for their application.

3. This Agreement does not confer any additional rights or impose any additional obligations on either Party with regard to the conduct of investigations and application of safeguard measures, referred to in paragraph 1.

ARTICLE 5.3

Dispute settlement

This Chapter is not subject to dispute settlement under Chapter 12.

CHAPTER 6

SANITARY AND PHYTOSANITARY MEASURES

ARTICLE 6.1

Relation to the SPS Agreement

The Parties reaffirm their rights and obligations with respect to each other under the SPS Agreement.

ARTICLE 6.2

Cooperation

The Parties are prepared to undertake discussions on sanitary and phytosanitary issues of mutual interest, including on establishment of closer cooperation and exchange of information.

ARTICLE 6.3

Dispute settlement

This Chapter is not subject to dispute settlement under Chapter 12.

CHAPTER 7

COMPETITION POLICY

ARTICLE 7.1

Definition

For the purposes of this Chapter:

"anti-competitive business conduct" means anti-competitive agreements between enterprises, concerted practices or decisions by associations of enterprises, anti-competitive practices by an enterprise that is dominant in a market, and mergers with substantial anti-competitive effects.

ARTICLE 7.2

Competition law

1. The Parties recognise the importance of free and undistorted competition in their trade relations. The Parties acknowledge that anti-competitive business conduct has the potential to distort the proper functioning of markets and undermine the benefits of trade liberalisation.

2. The Parties shall take appropriate measures to proscribe anti-competitive business conduct, recognising that such measures will enhance the fulfilment of the objectives of this Agreement.

3. The Parties recognise the importance of cooperation and coordination to further enhance effective competition law enforcement. Their respective competition authorities shall endeavour to coordinate and cooperate, including through notification, consultation and exchange of non-confidential information, in the enforcement of their respective competition law to fulfil the objectives of this Agreement.

4. The measures referred to in paragraph 2 shall be consistent with the principles of transparency, non-discrimination and procedural fairness. Exclusions from the application of competition law shall be transparent. A Party shall make available to the other Party public information concerning such exclusions provided under its competition law.

ARTICLE 7.3

Application of competition law to publicly owned or controlled enterprises

Each Party shall ensure that the measures referred to in paragraph 2 of Article 7.2 apply to that Party's publicly owned or controlled enterprises to the extent required by its law.

ARTICLE 7.4

Dispute settlement

This Chapter shall not be subject to dispute settlement under Chapter 12.

CHAPTER 8

GOVERNMENT PROCUREMENT

ARTICLE 8

General provisions

The Parties shall consult on the mutual opening of their respective government procurement markets, using in particular the GPA as a framework for future dialogue.

CHAPTER 9

INTELLECTUAL PROPERTY RIGHTS

ARTICLE 9

General provisions

1. The Parties confirm the importance of ensuring adequate and effective protection and enforcement of intellectual, industrial and commercial property rights.

2. The Parties shall provide suitable and effective protection of intellectual, industrial and commercial property rights in line with the TRIPS Agreement.

3. The Parties shall ensure an adequate and effective implementation of the obligations arising from the following multilateral conventions on intellectual, industrial and commercial property rights:

   (a) the Berne Convention for the Protection of Literary and Artistic Works, done at Berne on 9 September 1886, as revised at Paris on 24 July 1971, and as amended on 28 September 1979;

   (b) the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations, done at Rome on 26 October 1961;

   (c) the Paris Convention for the Protection of Industrial Property, done at Paris on 20 March 1883, as revised at Stockholm on 14 July 1967, and as amended on 28 September 1979;

   (d) the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks, done at Nice on 15 June 1957, as revised at Geneva on 13 May 1977, and as amended on 28 September 1979;

   (e) the Patent Cooperation Treaty (PCT), done at Washington on 19 June 1970, as amended on 28 September 1979 and modified on 3 February 1984;

   (f) the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks, adopted at Madrid on 27 June 1989;

(g) the Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure, done at Budapest on 28 April 1977, as amended on 26 September 1980; and

(h) the International Convention for the Protection of New Varieties of Plants, done at Paris on 2 December 1961, as revised on 19 March 1991.

4. The Joint Committee may decide that paragraph 3 also applies to other multilateral conventions or international agreements relating to intellectual, industrial and commercial property rights to which both Parties are party.

5. The Joint Committee shall monitor the implementation and application of the intellectual, industrial and commercial property rights provisions of this Agreement. The Joint Committee shall make recommendations which may include the establishment of a subcommittee on intellectual, industrial and commercial property rights.

6. For the purpose of this Agreement, intellectual, industrial and commercial property rights include in particular copyright, including the copyright in computer programmes, and related rights, patents, industrial designs, topographies of integrated circuits and geographical indications including trademarks as well as protection against unfair competition as referred to in Article 10 (bis) of the Paris Convention for the Protection of Industrial Property, and protection of undisclosed information on know-how.

7. Each Party shall be free to establish its own regime for the exhaustion of intellectual, industrial and commercial property rights subject to the relevant provisions of the TRIPS Agreement.

CHAPTER 10

ADMINISTRATIVE AND INSTITUTIONAL PROVISIONS

ARTICLE 10.1

Establishment of the United Kingdom-Turkey Joint Committee

1. A Joint Committee comprising representatives of both Parties is hereby established. The Joint Committee shall be co-chaired by representatives of both Parties at a ministerial level or their respective designees.

2. The Joint Committee shall hold its first meeting within one year of the date of entry into force of this Agreement. Thereafter, the Joint Committee shall meet at such times as may be agreed by the Parties. The Joint Committee may meet in person or by other means, as agreed between the Parties.

3. To ensure this Agreement operates properly and effectively, the Joint Committee shall:

   (a) review and monitor the implementation and operation of this Agreement and, if necessary, make recommendations to the Parties to ensure the proper functioning of this Agreement;

   (b) supervise and coordinate the work of subcommittees, working groups or other bodies established under this Agreement;

   (c) adopt at its first meeting its own rules of procedure; and

   (d) consider any other matter under this Agreement as the representatives of the Parties agree.

4. To ensure this Agreement operates properly and effectively, the Joint Committee may:

   (a) establish, merge or dissolve subcommittees, working groups or other bodies and determine their composition, function and duties;

   (b) recommend to the Parties amendments to this Agreement;

   (c) at the request of either Party, adopt decisions to amend any Annex or Protocol to this Agreement to ensure its proper functioning;

   (d) adopt interpretations of the provisions of this Agreement, which shall be binding on the Parties and all subcommittees, working groups or other bodies set up under this Agreement;

   (e) make recommendations to assist in the resolution of disputes between the Parties; and

   (f) take any other action in the exercise of its functions as the Parties may agree.

ARTICLE 10.2

Decision and recommendations of the Joint Committee

1. The Joint Committee may take decisions where provided for in this Agreement. Decisions of the Joint Committee shall be binding on the Parties. The Parties shall take the necessary measures to implement the decisions.

2. The Joint Committee may make recommendations relevant for the implementation and operation of this Agreement.

3. Decisions and recommendations of the Joint Committee shall be made by consensus and adopted either in person or in writing.

ARTICLE 10.3

Amendments

1. The Parties may agree, in writing, to amend this Agreement. An amendment shall enter into force on the first day of the second month following the receipt of the later written notification by which the Parties notify each other that they have completed their respective legal requirements and procedures for the entry into force of that amendment, or on such a date as the Parties may agree.

2. Notwithstanding paragraph 1, the Joint Committee may decide to amend an Annex or Protocol to this Agreement on a proposal from either Party. The Parties may adopt the Joint Committee's decision subject to their respective applicable legal requirements and procedures.

CHAPTER 11

EXCEPTIONS

ARTICLE 11.1

General exceptions

Article XX of the GATT 1994 and its interpretive notes are incorporated into and made part of this Agreement, *mutatis mutandis.*

ARTICLE 11.2

Security exceptions

Nothing in this Agreement shall be construed as:

(a) requiring a Party to provide any information the disclosure of which it considers contrary to its essential security interests;

(b) preventing a Party from taking any action, which it considers necessary for the protection of its essential security interests, including action:

(i) relating to fissionable and fusionable materials or the materials from which they are derived;

(ii) relating to the production of or trade in arms, ammunition and implements of war as well as to the production of or trade in other goods and materials as carried out directly or indirectly for the purpose of supplying military and other security establishments;

(iii) taken in time of war or other emergency in international relations; or

(c) preventing a Party from taking any action in pursuance of its obligations under the Charter of the United Nations for the purpose of maintaining international peace and security.

ARTICLE 11.3

Restrictions in case of balance of payments and external financing difficulties

1. Where a Party experiences serious balance-of-payments, capital movements, or external financing difficulties that cause or threaten to cause serious macroeconomic difficulties related to monetary and exchange rate policies, it may adopt or maintain restrictive measures with regard to capital movements, payments or transfers.

2. The measures referred to in paragraph 1 shall:

(a) be consistent with the Articles of the Agreement of the International Monetary Fund (IMF), as applicable;

(b) not exceed those necessary to deal with the circumstances described in paragraph 1;

(c) be temporary and phased out progressively as the situation specified in paragraph 1 improves;

(d) avoid unnecessary damage to the commercial, economic and financial interests of the other Party or of third countries; and

(e) be non-discriminatory compared to third countries in like situations.

3. Each Party may adopt restrictive measures in order to safeguard its external financial position or balance-of-payments. Those measures shall be in accordance with the GATT 1994 and the Understanding on the Balance of Payments provisions of the GATT 1994, contained in Annex 1A to the WTO Agreement.

4. A Party maintaining or having adopted measures referred to in paragraphs 1 and 2 shall notify the other Party in writing, along with the rationale for their imposition, within 45 days of their adoption or maintenance.

5. If restrictions are adopted or maintained under this Article, the Parties shall promptly hold consultations at the Joint Committee, unless consultations are held in other fora. The consultations shall assess the balance-of payments or external financial difficulty that led to the measures, taking into account, *inter alia*, factors such as:

(a) the nature and extent of the difficulties;

(b) the external economic and trading environment; and

(c) alternative corrective measures which may be available.

6. The consultations pursuant to paragraph 5 shall address the compliance of any restrictive measures with paragraphs 1 and 2. The Parties shall accept all findings of statistical nature and other facts presented by the IMF relating to foreign exchange, monetary reserves, balance-of-payments. The Parties' conclusions on compliance shall be based on the assessment by the IMF of the balance-of-payments and the external financial situation of the Party concerned.

ARTICLE 11.4

Taxation measures

1. For the purposes of this Article:

   (a) "tax convention" means a convention for the avoidance of double taxation, or any other international taxation agreement or arrangement;

   (b) "taxes" and "taxation measures" include excise duties, but do not include:

      (i) a "customs duty" as defined in Article 1.2;

      (ii) a fee or other charge in connection with the importation commensurate with the cost of services rendered; or

      (iii) an antidumping or a countervailing duty.

2. Except as provided in this Article, nothing in this Agreement applies to taxation measures.

3. Nothing in this Agreement affects the rights and obligations of either Party, under any tax convention. In the event of any inconsistency between this Agreement and any such tax convention, the tax convention prevails to the extent of the inconsistency.

4. In the case of a tax convention between the Parties, if an issue arises as to whether any inconsistency exists between this Agreement and the tax convention, the issue shall be referred by the Parties to the competent authorities under, or in respect of, that tax convention.

5. Notwithstanding paragraph 3:

   (a) Article 2.3, and such other measures as are necessary to give effect to that Article, apply to taxation measures to the same extent as does Article III of the GATT 1994 including its interpretative notes; and

   (b) Article 2.8 applies to taxation measures.

CHAPTER 12

DISPUTE SETTLEMENT

ARTICLE 12.1

Scope

This Chapter applies to any dispute concerning the application and interpretation of the provisions of this Agreement, unless otherwise provided for in this Agreement.

ARTICLE 12.2

Definition

For the purposes of this Chapter:

"Rules of Procedure" mean the rules of procedure adopted by the Joint Committee under paragraph 3 of Article 12.6.

ARTICLE 12.3

Referral to the Joint Committee

1. A Party may submit to the Joint Committee any dispute relating to the application or interpretation of the provisions referred to in Article 12.1 by delivering written notification to the other Party.

2. The Joint Committee may settle the dispute by decision.

3. Each Party shall take the measures necessary to comply with such decision.

ARTICLE 12.4

Request for the establishment of an arbitration panel

1. Where the dispute cannot be settled within 60 days of the date of the submission of the dispute to the Joint Committee, the complaining Party may refer the matter to arbitration by requesting the establishment of an arbitration panel in accordance with paragraph 2.

2. The request for the establishment of an arbitration panel shall be made in writing to the Party complained against and the Joint Committee. The complaining Party shall identify in its request the specific measure at issue, and it shall explain how such measure constitutes a breach of the provisions referred to in Article 12.1.

ARTICLE 12.5

Composition of the arbitration panel

1. The arbitration panel shall be composed of three arbitrators.

2. Each Party shall appoint one arbitrator within 30 days of the date of receipt of the request for the establishment of the arbitration panel. If a Party fails to appoint an arbitrator within that period, the other Party may request the Chair of the Joint Committee, or the Chair's delegate, to draw by lot the second arbitrator from a sub-list established under Article 12.6, which shall be the sub-list of the Party whose arbitrator has not yet been appointed.

3. The two arbitrators so designated shall appoint by agreement a chairperson who shall not be a national of either Party. If they cannot agree within two months after the date on which the second arbitrator has been appointed, either Party may request the Chair of the Joint Committee, or the Chair's delegate, to draw by lot the chairperson from the sub-list of chairpersons established under Article 12.6.

ARTICLE 12.6

List of arbitrators

The Joint Committee shall, at its first meeting after the entry into force of this Agreement, establish a list of at least 15 individuals, chosen on the basis of knowledge of international trade law, objectivity, reliability and sound judgment, who are willing and able to serve as arbitrators. The list shall be composed of three sub-lists: one sub-list for each Party and one sub-list of individuals who are not nationals of either Party to act as chairpersons. Each sub-list shall include at least five individuals. The Joint Committee may review the list at any time and shall ensure that the list conforms with this Article.

ARTICLE 12.7

Arbitration award

1. The arbitration panel shall issue an award to the Parties within 120 days of the date of establishment of the arbitration panel. The arbitration award shall contain:

   (a) findings of fact;

   (b) the determination of the panel as to whether:

      (i) the measure at issue is inconsistent with obligations under this Agreement; or

      (ii) a Party has otherwise failed to carry out its obligations under this Agreement;

   (c) any other determination requested in the terms of reference; and

   (d) the reasons for the finding and determinations.

2. The arbitration award shall be binding on the Parties.

3. The Joint Committee shall adopt the Rules of Procedure at its first meeting. Arbitration panels shall apply these Rules of Procedure, including any subsequent amendments to them made by the Joint Committee, in disputes under this Chapter. The Parties may agree, for the purposes of a dispute under this Chapter, that different rules of procedure shall apply, and the arbitration panel for that dispute shall apply such rules if they are so agreed.

ARTICLE 12.8

Compliance with arbitration award

1. If the arbitration panel finds that the measure of the Party complained against is inconsistent with its obligations under this Agreement, or that it has failed to carry out its obligations under this Agreement, the Party complained against shall take any measure necessary to promptly comply in good faith with the arbitration award. If immediate compliance is not possible, the Parties shall endeavour to agree on a reasonable period of time for compliance. If the Parties are unable to agree on a reasonable period of time within 45 days of the date of the issuance of the arbitration award, the complaining Party may request the original arbitration panel to determine the

length of the reasonable period of time for compliance. The arbitration panel shall notify its determination to the Parties no later than 30 days after the date of the request.

2. The reasonable period of time determined by the arbitration panel shall not exceed 12 months from the date of issuance of the arbitration award to the Parties. The length of the reasonable period of time may be extended by mutual agreement of the Parties.

3. The Party complained against shall inform the complaining Party in writing on its progress to comply with the arbitration award at least one month before the expiry of the reasonable period of time.

ARTICLE 12.9

Compliance review

1. The Party complained against shall, no later than the date of expiry of the reasonable period of time, notify the complaining Party of any measures taken to comply with the arbitration award.

2. Where there is disagreement between the Parties on the existence of measures taken to comply with the arbitration award, or their consistency with the provisions of this Agreement, the complaining Party may request in writing, no later than 20 days after the notification made in accordance with paragraph 1, the original arbitration panel to examine the matter. The arbitration panel shall notify its decision to the Parties no later than 60 days after the date of referral of the matter.

ARTICLE 12.10

Compensation and suspension of concessions or other obligations

1. If the Party complained against fails to notify the complaining Party of any measure taken to comply with the arbitration award, or notifies the complaining Party that it is impracticable to comply with the arbitration award within the reasonable period of time, or the original panel finds, in accordance with paragraph 2 of Article 12.9, that the measures taken to comply with the arbitration award as notified by the Party complained against are inconsistent with the provisions of this Agreement, that Party shall, if so requested by the complaining Party, enter into consultations with a view to agreeing on mutually satisfactory compensation or any alternative arrangement.

2. If no mutually satisfactory compensation or alternative arrangement has been agreed within 20 days from the receipt of the request for consultation, the complaining Party may notify the other Party of the level of intended suspension of concessions or other obligations, which shall be equivalent to the level of nullification or impairment that is caused by the failure of the Party complained against to comply with the arbitration award.
3. In considering what concessions or other obligations to suspend, the complaining Party shall apply the following principles and procedures:

   (a) the general principle is that the complaining Party should first seek to suspend concessions or other obligations in the same sector(s) as that in which the arbitration panel has found an inconsistency with this Agreement;

   (b) if the complaining Party considers that it is not practicable or effective to suspend concessions or other obligations in the same sector(s), it may seek to suspend concessions or other obligations in other sectors that are subject to dispute settlement under this Chapter. The complaining Party shall indicate the reasons for its decision to suspend concessions or other obligations in a different sector.

4. The complaining Party shall have the right to implement the suspension of concessions or other obligations 10 days after the date on which it provides notification in accordance with paragraph 2, unless the Party complained against has requested the original arbitration panel to examine the matter pursuant to paragraph 5.

5. If the Party complained against considers that the intended level of suspension of concessions or other obligations is not equivalent to the nullification or impairment or that the complaining Party has failed to follow the principles and procedures set out in paragraph 3, it may request, no later than 10 days after the date of receipt of the notification referred to in paragraph 2 for the original arbitration panel to examine the matter. The arbitration panel shall notify its decision to the Parties no later than 60 days after the date of the request. Concessions or other obligations shall not be suspended until the panel has notified its decision.

6. Any compensation or suspension of concessions or other obligations shall be temporary and shall only apply until the arbitration award has been complied with, or until the Parties have agreed on a mutually acceptable solution.

ARTICLE 12.11

Compliance review after the adoption of temporary remedies

1. Upon notification by the Party complained against to the complaining Party of the measures taken to comply with the arbitration award and if the complaining Party confirms that the measures taken achieve compliance, the complaining Party shall terminate the suspension of concessions or other obligations or the application of compensation or any alternative arrangement, no later than 10 days after the complaining Party confirms that it agrees that the arbitration award has been complied with.

2. If the Parties do not reach an agreement on whether the measures are consistent with the provisions of this Agreement within 30 days of the date of notification in accordance with paragraph 1, the responding Party shall request in writing the original arbitration panel to examine the matter.

3. The arbitration panel shall notify its decision to the Parties no later than 60 days after the date of the request.

4. If the arbitration panel decides that the measures notified in accordance with paragraph 1 are consistent with the provisions of this Agreement, the suspension of concessions or other obligations or the application of compensation or any alternative arrangement, shall be terminated no later than 10 days after the date of the decision. If the arbitration panel decides that the measures notified in accordance with paragraph 1 are inconsistent with the provisions of this Agreement, the suspension of concessions or other obligations, or the application of the compensation or any alternative arrangement, may continue. Where relevant, the level of suspension of concessions or other obligations or of the compensation or any alternative arrangement shall be adapted in light of the decision of the arbitration panel.

CHAPTER 13

FINAL PROVISIONS

ARTICLE 13.1

Transparency

1. For the purposes of this Article, “measure of general application” means any law, regulation, rule, administrative decision, or administrative procedure, of general application with respect to any matter covered by this Agreement.

2. Each Party shall ensure that measures of general application in respect of any matter covered by this Agreement are promptly published or made available in such a manner as to enable interested persons and the other Party to become acquainted with them. To the extent possible, each Party shall make these measures available online.

3. Each Party shall, to the extent possible, endeavour to allow for a reasonable interval between the time when those measures of general application are published or made publicly available and the time when they enter into force, except in duly justified cases.

4. When requested by the other Party, a Party shall, to the extent possible, promptly provide information and respond to questions pertaining to measures of general application that materially affect the operation of this Agreement.

5. The Parties recognise that the responses provided to the enquiries referred to in paragraph 4 may not be definitive or legally binding but for information purposes only, unless otherwise provided for in the laws and regulations of the Party providing the responses.

6. Information provided under paragraph 4 is without prejudice as to whether the measure is consistent with this Agreement.

7. To administer a measure of general application in a consistent, impartial and reasonable manner, each Party shall ensure that its administrative proceedings applying such a measure to a particular person, good or service of the other Party in a specific case:

   (a) whenever possible, provide reasonable notice to persons that are directly affected by a proceeding, in accordance with domestic procedures, when a proceeding is initiated, including a description of the nature of the proceeding, a statement of the legal authority under which the proceeding is initiated and a general description of the issues in controversy;

   (b) provide a person referred to in subparagraph (a) a reasonable opportunity to present facts and arguments in support of its position prior to any final administrative action, when permitted by time, the nature of the proceeding and public interest; and

   (c) are conducted in accordance with its law.

8. Each Party shall establish or maintain judicial, quasi-judicial or administrative tribunals or procedures for the purpose of a prompt review and, if warranted, correction of final administrative actions regarding matters covered by this Agreement. Each Party shall ensure that its tribunals are impartial and independent of the office or authority entrusted with administrative enforcement and that they do not have any substantial interest in the outcome of the matter.

9. Each Party shall ensure that, in any tribunals or procedures referred to in paragraph 8, the parties to the proceeding are provided with the right to:

   (a) a reasonable opportunity to support or defend their respective positions; and

   (b) a decision based on the evidence and submissions of record or, if required by its law, the record compiled by the administrative authority.

10. Each Party shall ensure, subject to appeal or further review as provided for in its law, that such decisions are implemented by and govern the practice of the offices or authorities with respect to the administrative action at issue.

11. Nothing in this Agreement shall require either Party to disclose confidential information, the disclosure of which would impede law enforcement, or otherwise be contrary to the public interest, or which would prejudice the legitimate commercial interests of any economic operator.

12. This Article applies without prejudice to any other specific provisions of this Agreement.

ARTICLE 13.2

Review and further negotiations

1. With the objective of maintaining and developing close economic and trade relations between them, no later than two years after the date of entry into force of this Agreement, the Parties shall commence a review of this Agreement with a view to replacing, modernising or expanding it.

2. The review shall include, but not be limited to: trade in agricultural goods, trade in services, investment, subsidies, sustainable development, environment, climate change, labour, anti-corruption, digital economy, small and medium-sized enterprises and intellectual property.

3. A Party shall give due consideration to any proposal, by the other Party, of topics to be included in the scope of the review.

4. Following the review specified in paragraph 1, the Parties shall endeavour to hold further negotiations on replacing or modernising any existing areas of this Agreement, and expanding the coverage of this Agreement to additional areas agreed upon.

5. The Joint Committee shall be responsible for identifying any barriers to such negotiation and setting timescales for the resolution of such barriers.

ARTICLE 13.3

Entry into force and termination

1. This Agreement is subject to ratification. The Parties shall notify each other in writing, through diplomatic channels, of the completion of their respective legal requirements for the entry into force of this Agreement.

2. This Agreement shall enter into force on the date of the receipt of the later of the notifications between the Parties pursuant to the first paragraph.

3. Pending entry into force, this Agreement or specific provisions thereof shall apply as of 1 January 2021 for both Parties, on the condition that the Parties notify each other to that effect through diplomatic channels before that date.

4. Either Party may terminate this Agreement after it has entered into force by providing written notice through diplomatic channels of its intent to terminate the Agreement to the other Party. Termination shall take effect six months after the date on which a Party has provided that written notice to the other Party, or on such other date as the Parties may agree.

ARTICLE 13.4

Annexes, Appendices and Protocols

The Annexes, Appendices and Protocols to this Agreement shall form an integral part thereof.

ARTICLE 13.5

Authentic texts

This Agreement is drawn up in duplicate in the English and Turkish languages, each of these texts being equally authentic. In case of inconsistency, the English text shall prevail.

IN WITNESS WHEREOF, the undersigned, duly authorised to this effect, have signed this Agreement.

DONE at on the

For the Republic of Turkey

Ruhsar Pekcan
Minister of Trade

For the United Kingdom of Great Britain and Northern Ireland

Sir Dominick Chilcott KCMG
British Ambassador to Turkey

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