



## **Turkish Organized Industrial Zones Are Now Cleared For Takeoff, Turned Their Heading to Foreign Industry Practices**

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*On 1 June 2017, Law No: 7033 on Amendment of Certain Laws and Executive Orders for the Development of Industrial Zones and Subsidization of Production Has Been Published in the Official Gazette. Among many, the Law No:7033 introduces numerous important and long-awaited provisions concerning the legislation of Turkish Organized Industrial Zones (“Turkish OIZs”), namely Law No:4562 on Organized Industrial Zones.*

Law No:4562, the backbone of Turkish OIZs, is one of the main reasons behind the undeniable success of Turkish OIZs practice. Indeed, while this domestic success paved the way for sustainable growth and development of Turkish industry, a legal framework that enables to implement the same model in foreign jurisdictions was long-demanded.

In this respect, after 17 years since its ratification, Law No:4562 finally sets out the framework for the establishment of OIZs in foreign countries through recently introduced Additional Article 4 to the Law No:4562, which reads:

### *Establishment of OIZs Abroad*

*Upon decision taken by the legal personalities of OIZs or competent bodies of the companies that are domiciled in Turkey, Council of Ministers may authorize the establishment of OIZs abroad, create partnership with them or manage those which are previously established.*

*Council of Ministers is authorized to determine the procedure and principles regarding the establishment and management of OIZs established abroad and the state subsidies to be provided for the investments to be made for these OIZs by the companies that are domiciled in Turkey.*

Now, as Turkish OIZs and companies that are domiciled in Turkey are legally licensed to conduct aforesaid operations, it is anticipated that several ongoing projects will gain momentum within certain jurisdictions. Indeed, Turkish OIZs presents an attractive and exclusive one stop shop model for investors including the convenience in the completion of formal procedures, utility tariffs, tax privileges and the management of a sole authority in which the participants of OIZs may also take part. Surely, OIZs have proved their mettle over the years in Turkey and now are ready to exceed what they have achieved to date.

For more information about Turkish practice of [Organized Industrial Zones](#) and establishment of [Turkish model of Organized Industrial Zones](#) in foreign countries, please do not hesitate to contact us at [abdulkadir@guzeloglu.legal](mailto:abdulkadir@guzeloglu.legal)