SECTION ONE Purpose, Scope and Definitions Purpose

ARTICLE 1 - The purpose of this Law is to ensure that necessary arrangements are made. Necessary measures are taken for the regulation and development of the tourism sector and for giving this sector a dynamic structure and mode of operation.

Scope

ARTICLE 2 - This Law comprises provisions governing the tourism sector, including definitions of cultural, tourism preservation, development regions, tourism areas, tourism centres and means of establishment, development of such regions, areas, centres, encouragement, regulation, inspection of tourism investments and facilities.

Definitions

ARTICLE 3 - The following terms shall have the meanings given here when used in this Law:

- a) Ministry: The Ministry of Culture and Tourism;
- **b)** Cultural and Tourism Preservation and Development Regions: The regions having a high potential for tourism development, intensive historical and cultural importance, that are to be evaluated for the purpose of preservation, utilisation, sectoral development and planned improvement and boundaries which are determined and declared by the Council of Ministers upon the proposal of the Ministry.
- c) Tourism Centres: The parts or places specified to be developed on a priority basis within or outside the cultural and tourism preservation and development regions, and are of importance for tourism movements and activities, locations, sites and the boundaries of which are determined and announced by the Council of Ministers upon the proposal of the Ministry.
- **d)** Tourism Establishments: Commercial ventures operating in the tourism sector jointly or individually established by real or legal persons of Turkish or foreign nationality;
- e) Tourism Investment Certificate: Certificate issued by the Ministry to investors in the tourism sector for a specific investment period;
- f) Tourism Establishment Certificate: Certificate issued by the Ministry to establishments operating in the tourism sector,

- g) Certified Tourism Investments and Establishments: Investments or establishments for which certificates have been issued by the Ministry;
- **h)** Yachts: Vessels registered as yachts in Certificates of Measurement, in the absence of such Certificates of Measurement. All other sea-going vessels used for sports and excursions but not qualified for passenger and cargo transportation.
- i) Cultural and Tourism Preservation and Development Sub-Region: Lands which contain various tourism types with at least one or more of the following technical and social infrastructures such as culture, education, training, entertainment, trade, housing, determined by a scale of 1/25 000 or less and those can be divided into sub-lands.

SECTION TWO General Provisions

Determination of Cultural, Tourism Preservation, Development Regions, Tourism Areas and Tourism Centres

ARTICLE 4 - In the determination of cultural and tourism preservation and development regions, tourism areas and tourism centres, account shall be taken of the natural, historical, archaeological and socio-cultural tourism assets of the country and the potential for winter, hunting and water sports, for health tourism and for other types of tourism.

Procurement of Certificate

ARTICLE 5 -

- a) It shall be compulsory to procure either a tourism investment certificate or a tourism establishment
- certificate in order to benefit from the incentives, exceptions, exemptions and rights prescribed in this law and other enactments.
- **b**)Investments with certificates shall commence, be completed and be put into operation within the periods of time specified by the Ministry. However, such periods may be extended in cases of circumstances of force majored acknowledged by the Ministry.

Preservation and Utilisation of Natural Tourism Resources

ARTICLE 6 - Such structures and facilities as may contribute to the preservation and utilisation, in the interests of the public, of state-owned and controlled sites may be constructed and operated in cultural and tourism preservation and development regions and tourism centres in accordance with the land use plans, subject to the conditions outlined in article 8 below and wihout the need to have a title deed, provided, however, that the certificates referred to in article 3 hereof have already been obtained.

Other structures, buildings and facilities may also be constructed and operated, in the interests of

the general public subject to the prior permission of the Ministry, in state-owned and controlled sites in cultural and tourism preservation and development regions and tourism centres, provided that such structures, buildings and facilities shall not disrupt the natural and cultural features of the region or harm tourist enterprises, and that they conform to the land use plan.

Seas, lakes and streams and their shores and banks may not be exploited in such a way as may spoil or destroy their characteristics. The exploitation of such resources, for example through extraction of sand, gravel and rocks, shall be conditional upon obtaining the permission from the Ministry, subject to prior approval of the Turkish Naval Forces Command pursuant to Law no 1738 concerning Navigation and Hydrographical Services.

Plans

ARTICLE 7 - Within the cultural and tourism preservation and development regions and tourism centres, The Ministry is authorised to make or to get made, to modify and to approve sua sponte, the plans of all scales.

To provide the base for infrastructure and planning process of the cultural and tourism preservation and development regions and tourism centres done by the Ministry, the information, documents and comments requested from the other public institutions and organisations shall be presented within a period of 3 months. The related works and transactions shall be realised sua sponte by the Ministry if the requested information, documents and comments are not submitted following the expiry of this period.

In the cultural and tourism preservation and development regions and in tourism centres; the sales, allocations, leases, operations related to border announcements and their modification which will be carried out by other public institutions and organisations and the structural projects which create environmental effects, are subject to the approval of the Ministry in advance.

The related principles and procedures regarding the implementation of this Article is regulated by the by-law which will be issued by the Ministry.

Use of Immovable for Tourism Purposes

- **ARTICLE 8 A)** Of the immovable in such places falling within tourism areas and tourism centres as have been allocated for tourism at the request of the Ministry and for which land use plans have been prepared:
- (1)Forests and those owned by the Treasury shall be allocated to the Ministry by the institutions concerned.

Such allocations shall be completed after the completion of the following formalities and within one month of the date of the request:

(a) Sua sponte registration of roads and excess roads covered by lands owned or controlled by the State but not yet registered in the name of the Treasury;

- **b)** Allocation of forests for tourism and amendment of management plans thereof.
- 2) Those owned by public organisations shall be registered with the Land Registry in the name of the Treasury and allocated to the Ministry within not more than two months of the date of demand. Conditions and terms of payment relating to such assignments shall be agreed upon by and between the

Ministry and institutions concerned in accordance with article 30 of Expropriation Law no. 6830.

- 3) Those owned by other real or legal persons and by foundations but which do not have a tourism establishment certificate shall be expropriated and registered with the Land Registry in the name of the Treasury by the Ministry and shall be transferred, within one month of such registration, to the Ministry. In the event of any disputes, litigation and proceedings shall be carried out and concluded not on the grounds of the expropriation decision but on the grounds of the price assessed therefore. The fact that a dispute may not have been settled shall not prevent the land in question from being allocated for use for tourism purposes.
- **(B)** The Treasury shall not demand any payment from the Ministry until such time as immovable allocated in accordance with paragraph (A) above are transferred to the investors.
- C) Principles, terms and prices to apply to the allocation and lease of such immovable to investors, the establishment of easement and termination of rights thereon and other conditions relating thereto shall be laid down jointly by the Ministry, the Ministry of Finance and the Ministry of Agriculture and Forestry, which shall be under no obligation to comply with the provisions of Tendering and Bidding Law no. 2490 and Forestry Law no. 6831,
- **D**) In accordance with the provisions of the paragraph C above, the Ministry is authorized to allocate the immovable properties to real and legal entities of Turkish and foreign nationality.

To institute the rights of easement, including autonomous and permanent right of construction on these immovable properties, and among those rights required for infrastructure, establishing the unpaid easement in favour of the public institution which will realise the infrastructure, will be established upon the approval of the Ministry, by the Ministry of Finance on the conditions determined by this Ministry.

- **E**) The acquisiton of immovable in cultural and tourism preservation and development regions and tourism centres may be exempted, by decision of the Council of Ministers, from the restrictions on foreign nationals imposed by Villages Law no 442 and Real Estate Law no. 2644.
- **F**) The provisions of this article shall also apply upon the Ministry's request to immovable at such places within the cultural and tourism preservation and development regions but outside the tourism areas and tourism centres as are allocated to tourism by the land use plans of the locality if and when an application is filed with the Ministry for an investment in such places.

- **G**) Tourism, training and recreation enterprises and allocations on the lands which belong to the public institutions within the cultural and tourism preservation and development regions and tourism centres are abolished by the administration that has assigned the allocation, upon the proposal of the Ministry, with the approval of the Ministry of Finance and its disposal rights are granted to the Ministry.
- **H**) The whole of the cultural and tourism protection and development region, or sub-region defined by plans or one or more of their plots can be allocated by the Ministry in accordance with the purpose of the plan. The allocation of the whole region or the sub-region to a main investor is put in force by the decision of the Council of Ministers and pre-permission is given to this investor by the Ministry. In case of approval of the project of the investor by the Ministry, following the arrangement of the investment license, the pre-permission is turned into the final permission by the Ministry.

In favour of the main investor, the rights of easement including the autonomous and permanent right of construction for the immovable properties, is established by the approval of the Ministry under the conditions determined by the Ministry of Finance and realised by this Ministry.

The land use plans for the whole region or the sub-regions, are made/get made and approved by the Ministry. The plots formed by these plans, provided that it is foreseen in the allocation agreement and do not exceed the allocation period; can be leased, can get managed or the right of construction established in the Land Registry can be transferred to the third bodies by the investor to whom the right of the autonomous and permanent right of construction have been established. Every kind of building, establishment and also their independent parts constructed in the areas, allocation of which is established in the mentioned way are subject to the same procedure. Obtaining investment and establishment licences for the types and establishments, which can be licensed by the Ministry in these areas are compulsory.

The main investor is responsible for fulfilment of the obligations of the third bodies rising from the allocation agreement and its conditions. In case of the fact that the actions and operations of the main investor and third bodies contradict with the provisions related to the cancellation of the allocation mentioned in the agreement which will be signed between the Ministry and the related public institutions/organisations, the allocation established to the main investor and /or third bodies is abolished by the way it is allocated. In case of the cancellation of the allocation assigned to the main investor, the rights of the third bodies who fulfilled the liabilities according to the allocation agreement are protected. The guarantee which is the proportion of the project price defined in the allocation agreement will be given by the main investor to the Ministry before the final allocation. In case of impairment of the social and technical infrastructural obligations mentioned in the allocation agreement by the main investor, these obligations will be implemented by the Ministry through procedures determined by the Ministry by turning this guarantee into cash money. The responsibility of the Ministry towards the third bodies is limited with this guarantee.

I) The construction, establishment and auxiliary buildings situated on the land whose allocation is cancelled or allocation period is over are passed to the Treasury without consideration. The

investor may not claim any right or payment for these.

The Ministry can demand the construction of the social and technical infrastructure services that will be realised on the allocated areas, as a whole or in part, or request the investor to cover the cost, as the allocation condition.

- J) The urgent expropriation may be realised in accordance with Article 27 of Expropriation Law No. 2942, for the purpose of allocating the lands and plots, qualified as private properties within the Cultural and Tourism Protection and Development Regions, for tourism investments. The immovable properties which are expropriated in this way are registered in the name of Treasury in the Land Registry. The right of easement on these expropriated immovable properties including autonomous and permanent right of construction will be established for the sake of the investors for the period defined in the agreement and in return of its value if the expropriated costs are covered by the budget of the Ministry or with the costs which will be determined in accordance with the principles set forth in the agreement if it is covered by the investors, upon the approval of the Ministry, by the Ministry of Finance and in accordance with the principles determined by this Ministry.
- **K**) The areas belonging to the same investor or enterprise or using the brand name of the same enterprise can be rented, can get managed, or the right of construction established in the Land Registry can be transferred to the third bodies by the investor, in the name of whom more than one allocation has been made and in favour of whom autonomous and permanent right of construction has been established in order to realise tourism types which shall be licensed by Ministry, provided that each of these allocations remain in the same enterprise chain.
- L) The principles and the procedures concerning the implementation of this article are governed by the regulation issued by the Ministry, within the framework of the paragraph (C), encouraging the direct foreign capital investment, bringing in the international brands, chains, technology and the standards to the country, effective area management, quality control and taking into consideration the sustainable tourism principles in compliance with social, cultural and physical environment.

Public Investments

ARTICLE 9 -

- (a) Infrastructural requirements of tourism areas and tourism centres, such as roads, water supply, sewage, electricity and telecommunication facilities, shall be completed by the public organisations concerned on a priority basis. Allowances allocated by the Ministry or organisation concerned to this end may not be utilised for other purposes without the prior consent of the Ministry.
- **(b)** Public organisations shall not programme any investments directed towards tourism operations without the prior consent of the Ministry.

Price Lists

ARTICLE 10 - General principles concerning the preparation and approval of lists of prices to be charged by certified establishments shall be set out by the Ministry. Such establishments shall submit to the Ministry not later than the end of July each year the price lists they plan to implement during the following calendar year.

Certified establishments may not charge prices other than those given in the lists approved by the Ministry. Such establishments shall post the approved lists in easily visible places in accordance with the principles set out by the Ministry and shall present them upon request.

Notification

ARTICLE 11 - Investors and operators holding tourism certificates shall obtain the prior permission of the Ministry for any transfer or leasing out, in part or in whole, of the establishment with which the certificate is concerned and for any amendment, in part or in whole, of the ownership structure and field of activity of the establishment; it shall be a condition of any such amendment that the establishment shall continue to be a tourist establishment. Furthermore, investors holding tourism certificates shall, during the investment period, notify the Ministry twice a year of the progress of their investment, while establishments holding tourism certificates shall submit data to be used in the determination of Turkey's tourism figures to the Ministry on a quarterly basis.

Triptyques or Carnet de Passage Services:

ARTICLE 12 - (Rescinded by Law no 2817, dated 18.4.1983)

SECTION THREE Principles and Provisions Concerning Incentives

Principles of Encouragement and Co-ordination

ARTICLE 13 - Incentives in the tourism sector, and procedures and principles concerning the ways in which tourism investments and establishments may benefit from such incentives shall be specified jointly by the ministries concerned and the Undersecretariat for the State Planning Organisation under the co-ordination of the Ministry.

Priority for investments shall be, in descending order: tourism areas, tourism centres, cultural and tourism preservation and development regions and other sites designated by the Ministry.

Of the certified tourism establishments, those earning foreign exchange in the amounts that are specified annually by the Ministry for this purpose shall be regarded as exporters.

Tourism Loans

ARTICLE 14 -

- (a) Tourism loans shall be allocated, on a priority basis, to investments made in tourism areas and tourism centres.
- (b) The Tourism Bank Inc. of the Republic of Turkey may obtain foreign currency loans from foreign sources for allocation to certified investments in tourism areas and tourism centres.

The terms and conditions agreed upon for the loans made available by the Treasury shall also apply to loans obtained in this way, and general principles concerning the allocation and repayment of such loans shall be established jointly by the Ministry, the Ministry of Finance and the Undersecretariat for the State Planning Organisation.

Payment of Contributions to Forestry Fund in Instalments

ARTICLE 15 -The sum payable by certified tourism establishments located in forests pursuant to paragraph (c) of supplementary article 3 of Forestry Law no 6831 shall be paid, starting in the third year of allocation, in five equal instalments over a period of five years.

Rates of Utilities

ARTICLE 16 - (Amended: Law No. 3754) Certified tourism investments and establishments shall pay for utilities such as electricity, gas and water at the lowest of the rates that apply to the industrial facilities and homes in the locality.

Communication Facilities

ARTICLE 17 - Any and all procedures and allocations in connection with requests of certified tourism investments and establishments for telephone and telex facilities shall be carried out on a priority basis.

Employment of Personnel

ARTICLE 18 -

- (a) Certified tourism establishments may employ qualified foreign personnel and experts with the approval of the Ministry and the Ministry of Interior, and provisions of Law no 2007 concerning the Trades and Services to be Performed in Turkey by Turkish Citizens shall not apply to such personnel.
- However the total number of foreign personnel so employed may not be higher than 10% of the total number of employees. This ratio may be increased to up to 20% by the Ministry. The personnel in question may start working at the establishment 3 months prior to the date when it commences commercial operations.
- (b) The employment of personnel aged under 21 at certified tourism establishments and covered by Law no 2559 concerning the Duties and Powers of the Police shall be subject to the prior permission of the highest civil authority of the locality.

Sale of Alcoholic Beverages and Games of Chance

ARTICLE 19 -

(a) Certified tourism establishments shall be exempt, subject to the permission of the Ministry, from the provisions of article 178 of Public Health Law no 1593 and of article 61 of Elementary Training and Education Law no 222 which concern the sale of and licences for alcoholic beverages.

Minors aged under 18 may, if accompanied by their parents, be admitted into certified tourism establishments under Law no 2559 concerning the Duties and Powers of the Police on condition that the Ministry has granted prior permission to this effect.

(b) The Ministry shall be authorised to designate gambling places and to grant permission to the persons that are to operate such places provided that such places are complementary to certified tourism establishments. The Ministry shall decide who, other than those holding foreign passports, may be admitted into such places and under what conditions.

Official Holidays, Weekends and Lunchtimes

ARTICLE 20 - Certified tourism establishments and sales stands exclusively for the sale of services under such certificates shall, during the working hours specified in the certificate issued by the Ministry, maintain their operations throughout official holidays, weekends and lunch times.

Tourism Development Fund

ARTICLE 21 - A Tourism Development Fund, attached to the Ministry, is hereby established for the purpose of supporting tourism investments to be made in cultural and tourism preservation and development regions and tourism centres with loans with maximum repayment periods of 20 years for up to 15% of the total investment cost and expenditures on the development of foreign marketing opportunities.

Revenues of the Fund

ARTICLE 22 - Revenues of the Tourism Development Fund shall be composed of:

- (a) Annual appropriations allocated from the Ministry's budget for this purpose;
- **(b)** That portion of the profits of the Tourism Bank Inc. of Turkey that corresponds to the Treasury's share;
- (c) Interest on loans to be extended out of the Fund;
- (d) A certain share, to be fixed by the Council of Ministers, of the revenues derived from triptyques or customs pass cards (camets de passage); (*)

- (e) Fines to be imposed on tourism establishments in accordance with this Law;
- (f) Service participation revenues and other aids and donations.

Use of the Fund

ARTICLE 23 - The Tourism Development Fund shall be utulised by the Tourism Bank Inc. of the Republic of Turkey.

Expenditures to be made out of this Fund shall not be subject to the provisions of General Accounting Law no 1050 and Tendering and Bidding Law no 2490.

The authority to make payments out of the Fund shall belong to the Minister of Culture and Tourism.

The fund shall be subject to auditing by the Ministry of Finance.

Provisions as to Incentives in the event of Transfer

ARTICLE 24 - Those taking over the certified tourism investments and establishments on the condition that the purpose and nature thereof are not affected by such transfer shall benefit, subject to the prior permission of the Ministry, from the same incentives.

Incentives in the Event of Termination of Tourism Activities

ARTICLE 25 - In cases where certified tourism investments and establishments may terminate their tourism activities and not resume such activities within a one-year period, they shall be liable, pursuant to the provisions of relevant enactments, to repay the monetary equivalent of the exemptions, exceptions and rights to which they became entitled under the incentive arrangements.

If, however, establishments terminate their activities by reason of circumstances of force majeure such as war, natural disasters and epidemics, the Ministry may waive their obligations of repayment, subject to the approval of the Ministry of Finance and the Undersecretariat for the State Planning Organisation

SECTION FOUR Yachting Tourism

Operation of Marinas

ARTICLE 26 - Real or legal persons may operate marinas subject to the obtention of the necessary certificate from the Ministry. However, in operations to be established by foreigners, at least one of the shareholders in such undertaking must be a real or legal persons of Turkish nationality.

Yacht Operation

ARTICLE 27 -

- (a) Real or legal persons may operate yachts subject to the obtention of the necessary certificate from the Ministry. The Ministry shall be authorised to grant permission, without having to comply with the provisions of article 823 of Turkish Commercial Law No. 6762, to hoist the Turkish Flag on those yachts
- which are otherwise unable to do so.
- (b) Principles concerning the use of foreign-flag yachts along the Turkish coasts and between Turkish harbours shall be determined by the Council of Ministers as may be required.

Principles of Navigation in Territorial Waters

ARTICLE 28 -

- (a) Yachts coming in from foreign harbours to Turkish harbours and yachts leaving Turkish territorial waters en route to foreign harbours shall have to make their entry and exit through designated customs entry and exit points.
- **(b)** Statements made and procedures fulfilled in accordance with the provisions of Articles 34, 35 and 41 of Customs Law No. 1615 by foreign-flag yachts coming in from foreign harbours or spending the winter in Turkey at the first harbours they call at or the last harbours at which they lay anchor for winter shall also
- count as valid at any other Turkish ports they may subsequently call at.
- (c) Sanitary formalities carried out on yachts at any Turkish port shall remain valid for a period of one year and visas shall not be required of such yachts unless they call at a foreign port. However the nearest harbour administration or civil authority shall be informed immediately in the case of any death or
- the outbreak of any contagious disease.
- (d) Foreign-flag yachts and yachts used by foreign nationals may in regions determined and announced by the Council of Ministers with the agreement of the Turkish General Staff:
- (i) cruise on routes shown in their cruise documents, and
- (ii) call and anchor at harbours along the route where there is no customs office, without any restrictions for sight-seeing purposes.
- Duration of Stay in Turkey of Yachts and Cabotage Rights
- **ARTICLE 29 -** Foreign-flag yachts may stay up to two years in Turkey for maintenance, repair, docking or wintering purposes. This period may be extended in accordance with principles to be determined by the Council of Ministers.

Turkish-flag yachts of certain specifications, to be determined jointly by the Ministry of Transport and Communications and the Ministry, may be chartered to foreign nationals for such purposes as excursion, sport or entertainment. The use of yachts so chartered for commercial purposes is forbidden.

The use of foreign-flag yachts for excursion, sport and entertainment purposes shall not be regarded as commercial passenger transportation.

CHAPTER FIVE Inspection and Penalties

Authority for Inspection

ARTICLE 30 - (Amended: Law No. 3492) The Ministry shall be exclusively authorised to inspect investments and establishments holding tourism certificates, to check those characteristics of such investments and establishments on the basis of which certificates are issued and to establish whether they maintain such characteristics as well as to categorise such establishments.

If the Ministry deems it necessary, matters on the basis of which inspections and classifications are to be made may be determined by real or legal experts designated by the Ministry. However, the Ministry shall take and implement any and all decisions based on such examinations. The qualifications of the experts, the principles and procedures for designating them, their functions and powers and the principles concerning the conduct of their examinations shall be specified in a regulation.

In cases when it so deems necessary, the Ministry shall also have examinations carried out on its behalf in accordance with the principles set forth above, to serve as the basis for inspections of investments and establishments not holding tourism certificates, in which case it shall inform the relevant authorities so that appropriate action may be taken.

Penalties

ARTICLE - 311

- (a) Without prejudice to any penalties that may be imposed under other legislation, certified tourism investments and establishments failing to comply with the provisions hereof or the conditions laid down in the regulations concerning the enforcement of this Law shall be liable to the penalties described below.
- **(b)** The fines referred to in article 33 below shall be assessed by the inspection officials and copies of minutes indicated the fine imposed shall be forwarded to the establishment in question and to the nearest tax office in order to ensure payment thereof within 7 days.

Fines remaining unpaid within this period of time shall be recovered pursuant to the provisions of Law no 6183 concerning the Procedure of Payment of Public Claims.

No objection raised or litigation entered into against such fines shall serve to halt the collection thereof.

Warnings

ARTICLE 32 -- Holders of tourism certificates may be warned either by the inspectors or by the Ministry on account of faults, failures and deficiencies observed in the management and administration of the tourism investments and establishments.

Fines (The fines applicable in cases indicated in Article 33 were increased by 100% by Council-of-Ministers decision 85/9621 of 27 June 1985. The fines envisaged by Articles 33 and 36 are increased every year under Laws 3506 and 3591 of 7 December 1988 and 6 December 1989, respectively.)

ARTICLE 33 - Fines shall be imposed on the certificate holders, in the cases and amounts given below:

- **a)** A fine of five hundred million Turkish Liras in cases when required corrective action has not been taken despite a warning or when more than one act is noted or when information required to be reported to the Ministry is not furnished in time or when misleading information is furnished.
- **b)** A fine of five hundred million Turkish Liras when a part or the whole of the establishment is kept closed continuously for a period of more than thirty days in a year without informing the Ministry.
- c) A fine of one billion Turkish Liras in cases when the Ministry or the customers are misled by means of written material, advertisement, posters, brochures and similar devices or using deceptive title or when the committed service is not given to the customer or negligence of same or when the same service which is provided to be given in another establishment with at least equivalent qualification is not offered. Provisions of specific legislation are reserved.
- **d)** A fine of one billion Turkish Liras in cases where it is established that offence has been committed on the premises with the involvement, fault or negligence of the proprietor or the person in charge or the personnel, regarding the protection of either personal security or the security of the property of the customer.
- e) Provided that the provisions of specific legislation related to the investments and establishments allocated by the Ministry are reserved, a fine of one billion Turkish liras in cases of transferring of whole or part of investment or enterprise, rent or changing partnership statute, title or type without permission.
- **f**) A fine of 20 times the excess amount charged when amounts have been charged in excess of the price indicated in approved price lists.

Excluding the fines applied in accordance with the paragraph f; within one year following the notification of a fine, in the case of a second fine due to an occasion calling for a fine, an amount equivalent to the total of the first and the second fines will be levied, and if another act calling

for a fine is occurred for the third time, a fine equivalent to the total of the first, the second and the third fines will be levied.

Cancellation of Tourism Investment or Tourism Establishment Certificate

ARTICLE 34 -- Tourism Investment or Tourism Establishment Certificate,

- a) Determining an act which requires a fine fourth time within one year,
- **b**)Operation against the establishment types which can be licensed or termination of the tourism activity of facilities or upon the demand of the certificate holder,
- c)Occurrence of the circumstances referred to in paragraph (d) of the Article 33 and where keeping such an establishment open may be inconvenient for Turkish tourism and personal security,
- **d)** When it is determined that the quality of the facilities has been downgraded significantly, whether from the point of view of the tourism operation or from that of public health standards,
- e)When the facilities have ceased to possess the qualities required for certification, during the investment or operation phase, Shall be cancelled by the Ministry in any of these cases.

Objections to and Litigation against Penalties

ARTICLE 35 -

- a) Warnings issued in accordance with the present Law shall be final.
- **b**) Objections to fines imposed by inspectors may be raised within seven days by petitioning the Ministry.
- Upon receipt of such a petition, the Ministry shall make its final decision either to approve, to adjust or to cancel the penalty within a month at most.
- **c)** Files for annulment of decisions of the Ministry concerning fines and for annulment of other penalties may be lodged with the administrative courts of the place where the certified establishment is located.

Other Penalties

ARTICLE 36 -

- **a)** In the event of any violation of the provisions of article 6 hereof, a term of imprisonment of three to eighteen months or a heavy fine of fifty thousand to one hundred thousand Turkish Lira or both shall be imposed;
- **b)** Those who violate paragraph 2 of article 29 hereof shall be liable to a heavy fine of fifty thousand to one hundred thousand

Turkish Lira.

The fine shall be doubled in the event that the violation is repeated.

SECTION SIX Final Provisions

Regulations

ARTICLE 37 - Regulations govering the following shall be issued within one year from the publication of this Law:

- **A)** Matters to be governed by regulations to take effect upon decrees of the Council of Ministers :
- 1) Matters concerning the formation of work groups to designate cultural and tourism preservation and development regions, tourism areas and tourism centres and the functions, powers and procedures of these groups and their relations with the Ministry;
- 2) The issue of tourism investment and tourism establishment certificates, the nature of the management, personnel and operation of the establishments concerned and the physical conditions with which these are to comply;
- 3) Matters pertaining to the inspection of certified tourism investments and establishments in respect of the qualities on the basis of which the certificate has been issued, of their price lists, cleanliness, orderliness, services, management and administration and of other points including the questions of human
- and environmental health and security of persons and property, and pertaining to the qualifications, appointment and powers of inspectors;
- **4)** Matters pertaining to the operation of marinas and yacht charters and to the implementation of articles 28 and 29 hereof.
- **B**) Matters to be governed by regulations to be prepared by the Ministry in conjunction with various other ministries as follows:

1) With the Ministry of Finance:

- **a)** Matters concerning the collection and deposition with the Tourism Development Fund of fines imposed thereunder;
- b) Matters relating to the utilisation and auditing of the Tourism Development Fund.
- 2) With the Ministry of Interior: Matters pertaining to the employment of foreign nationals in

certified tourism establishments as exempt from the provisions of Law no. 2007 concerning the Trades and Services to be Performed in Turkey by Turkish Citizens.

- C) Matters to be governed by regulations to be prepared by the Ministry:
- 1) The respective rights and obligations of those holding tourism certificates in their relations with the Ministry, each other and their customers and the conditions with which they shall be obliged to comply in such relations;
- 2) Principles and procedures pertaining to the penalties and fines imposed thereunder, the composition of boards at the Ministry to be in charge of taking decisions as to penalties and matters concerning the implementation of penal clauses;
- 3)</bd>
 Other matters that may be required for the enforcement of this Law.

Provisions Rescinded

ARTICLE 38 -

Law no 6086 concerning the Encouragement of the Tourism Industry (.......) is hereby rescinded. (The provision that was contained in the space marked () in Article 38 above and that concerned Article 12 of the Customs Law 1615 was abolished by Article 54 of Law 2817 of 18 April 1983.)

Interim Article 1 - Tourism establishment construction certificates and tourism establishment operation certificates issued under Law no. 6086 concerning the Encouragement of the Tourism Industry must be replaced within three years of the date of entry into effect of the regulation referred to in paragraph (A-2) of Article 37 hereof. Formalities concerning such replacement shall be exempt from any and all stamp duties, taxes and fees.

Interim Article 2 - (Repealed by Law No. 2817, dated 18.4.1983) Article 4.

Interim Article 3 - The supreme Board of Co-ordination of Tourism shall be authorised to declare tourism areas and tourism centres for the purpose hereof until cultural and tourism preservation and development regions, tourism areas and tourism centres are announced in accordance with the principles set forth in article 4 and paragraph (A) (1) of Article 37 of this Law.

Interim Article 4 - Yachts may have and use wireless equipment on board in accordance with principles to be decided upon jointiy by the Turkish General Staff, the Ministry of Transport and Communications and the Ministry, until such time as new arrangements are made in this connection in Law of Radio Communications, No. 3222.

Interim Article 5 - Regulations issued under the Law 6086 concerning the Encouragement of the Tourism Industry and provisions of articles 11, 12 and 13 of the same Law not contradicting

this Law shall continue to be operative until the regulations to be issued thereunder take effect.

Interim Article 6 - The carrying out of decisions to demolish structures falling under article 6 hereof shall be postponed until the end of the year 1982 in connection with facilities owned by establishments holding tourism certificates and operating in areas owned or controlled by the State.

Interim Article 7 The tourism regions, tourism areas and tourism centres that have been determined and declared before the issuing date of this Law are in force and these region, area and centres are subject to the principles which will be implemented for cultural and tourism preservation and development regions and tourism centres.

Interim Article 8 - The works and transactions related to the plans directed to the Ministry of Public Works and Settlement for approval before the publication of this Law, are completed and approved by the Ministry of Public Works and Settlement.

Supplementary Article 1 - (Amended by Law no 3487, dated 27.10.1989) Without prejudice to rights previously granted and currently being exercised and rights entered into the land registry, hot and cold mineral springs resorted to for cures shall be transferred to tourism investors pursuant to the provisions hereof.

The powers of the authorities referred to in Law 927 dated 10 June 1926 and in article 2 of Law no 4268 dated 17.6.1942 as amended by Law no 6977 dated 24 May 1957 shall belong to the Ministry, provided that such powers shall be restricted solely to the tourism areas and tourism centres indicated. However, dividend and duty entitlements of provincial administrations shall be reserved.

Those beneficiaries who are not making full use of resources allocated to them in tourism areas and tourism centres may continue to make use of such resources if they submit to the Ministry a statement confirming their commitment to make full use of such resources, accompanied by their plans and projects in this regard, within one year of the date of entry into effect of a regulation to be issued pursuant to this Law and if such plans are approved by the Ministry. Otherwise, excess amounts of the spring used shall be made available to those willing to operate such spring waters.

A regulation to be issued by the Ministry in conjunction with the Ministry of Health and Social Welfare and the Ministry of Energy and Natural Resources shall lay down principles for the determination of excess amounts of spring waters used by real and legal persons, that hold a right to operate water springs resorted to for cures, the manner and conditions of operation of excess spring waters not used, the exploitation of newly discovered spring waters, and the regulation of relations with other beneficiaries in this connection.

Supplementary Article 2 - (Supplemented by Law 3754 of 30 May 1991) Caravans and motorcaravans owned by foreigners who have entered Turkey may remain in Turkey for up to 2 years for maintenance, repair and wintering purposes, and their owners may leave Turkey by other means.

Procedures and principles concerning the utilisation and stay of motorcaravans and caravans ovned by foreigners that are permitted to spend the winter in places and warehouses designated for this purpose shall be set out in a regulation by the Ministry of Tourism after obtaining the opinion of the Ministry of Finance.

Supplementary Article 3 - (Supplemented by Law 3754 of 30 May 1991) While making arrangements and taking measures to regulate and develop the tourism sector and to give the sector a dynamic structure and mode of operation, the Ministry shall take all measures to assist in the formation of professional bodies with the status of public organisations related to the sector.

Supplementary Article 4- Regarding the places outside the cultural and tourism preservation and development regions and tourism centres; at places that are considered as the State Forest according to the Forest Law No: 6831 and at places that have been designated and declared for land allocation on tourism investments according to the Law on National Parks No: 2873 and regarding the decree law No: 383 on Establishment of the Institution of Private Environment Protection, land allocation for tourism investment will be done by the Ministry after obtaining the approval of Ministry of Environment and Forestry.

The pastures that are situated within the cultural and tourism preservation and development regions are subject to and bound by the aim of use implemented through the decisions related to land use plans. The qualifications of these areas are modified and registered in the name of the Treasury.

Entry into Effect

ARTICLE 39 - This Law shall enter into effect on the date of its publication.. Execution

ARTICLE 40 - This Law shall be executed by the Council of Ministers.