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No: 26/1983

### LAW ON FREE ZONE and PORT

(final version following the amendements made by Law No 41/1988, 37/1996 and 37/2002)

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Turkish Cypriot Federal Parliament promulgates the following Law:

Title	1	This law shall be cited as the Law on Free Port and Zone.
Definitions	2	Unless otherwise stated within this law, the following definitions shall apply: "Minister" is the Minister responsible for industrial affairs. "Ministry" is the Ministry responsible for industrial affairs. "Council of Ministers ", is the Council of Ministers of the Turkish Republic of Northern Cyprus. "State" is the state of the Turkish Republic of Northern Cyprus (TRNC). "Added Value" is the added value created by an enterprise through the change generated in the form of raw materials and /or by-products by processing them and turning them into an intermediate good, a consumer product or an investment product.  "Operator" is public institutions and enterprises, local and foreign natural and legal persons that operate the Free Zone. "Conventional Ports" are all air and sea ports approved by the TRNC Council of Ministers, apart from that of the Free Port. "Director" is the Director of the Free Zone and Port. "Free Zone" is the Free Zone and Port. "Fares", are all payments to be made to the Free Zone and Port Directorate including ground rent, storage, warehouse, and area fees, dockage and all the other charges and fees requested against the services provided by or on behalf of the Free Zone and Port Directorate.
2,41/1988		
2.37/2002		
2,41/1988		
Establishment of Famagusta Free Zone and Port Authority	3	(1) In accordance with the map in Table I in the annex of this Law, Famagusta Free Zone and Port along with Gemikonagi Free Zone and Port are established.
3.37/2002		
Table I		
4.37/2002		(2) Regardless of the size of ships in question, sea water occupied by ships that are docked along the Free Port is considered to be within the boundaries of the Free Port as stated in the map found in Table I of this Law.
3.37/2002		(3) The Council of Ministers may grant authorization in order for the Free Zone and Port management to be contracted for

49 years in accordance with the terms of a contract that the Free Zone public institutions and enterprises and local or foreign natural and legal persons may enter into.

- 3.37/2002 (4) Although, the Customs Building, Agriculture Marketing Board and General Directorate of Public Highways' Tar Making Premises lie within the boundaries of Famagusta Free Zone and Port, they are considered to be outside this zone and they are granted the right of passage to reach the Conventional Port.
- Free Zone activities and operations 4 The following activities and operations can be undertaken at the Free Zone for import and export purposes:
- (1) Bring merchandise from within or from the outside of the boundaries of the State; store such goods; export the whole or part of such merchandise as they are or after processing them; use such merchandise in all sorts of manufacturing, construction and repair work that will take place within the boundaries of the Free Zone;
  - (2) Undertake assembling, deassembling or repair work on the merchandise brought into the Zone;
  - (3) Undertake all types of industrial, manufacturing and production activities;
  - (4) Conduct all types of commercial survey services;
  - (5) Banking and insurance services;
  - (6) Undertake construction, maintenance, assembling and de-assembling of all types of sea vehicles;
  - 4.37/2002 (7) Undertake Free Port and Zone operation;
  - (8) Other tasks and services to be specified by the Council of Ministers.
- Authorizati on to Operate 3,41/1988 5.37/2002 5 (1) (A) Natural or legal persons willing to undertake activities within the Free Zone and Port shall apply the operator for areas under the operator's authority and shall apply to the Free Zone and Port Directorate for areas remaining outside the operator's authority. Information pertaining to the field of activity as well as other types of information to be requested by the Directorate or the operator shall be stated in the applications openly. Provisions pertaining to the services of an enterprise shall be determined by taking into account the existing circumstances.

5.37/2002	(B) Legal and natural persons who applied, pursuant to paragraph (A) stated above, to undertake the activities and operations stated in Article 4 of this Law, shall be required to pay a fee, not exceeding 1,000 USD, depending on the field of activity and in accordance with the rules of a regulation to be issued by the Council of Ministers.
Chapter 113 28/1974 7/1977 Chapter 116 11/1976 25/1983 3,41/1988	<p>(2) The Free Zone Directorate conducts the registration and supervision processes at the registration office it will set up and may use the authority pertaining to the registration and supervision stated by Companies Law, Unlimited and Limited Companies Law and Commercial Titles Law and TRNC Banking Law without having prejudice to the rules stated in these laws.</p> <p>(3) As general, open and closed warehouses and open air storages are used for transit trade purposes, the rules stated in paragraphs (1) and (2) shall not apply</p> <p>(4) The records on persons, who are given authorization to operate, are kept at the Free Zone Directorate. Such records can be seen by anyone paying the fee established by the regulation.</p> <p>(5) Income- expenditure statements, balance sheets, profit and loss statements of those who have received authorization to operate, shall be open for all types of examinations to be conducted by the government.</p>
Construction of and permission for a building	6 Plans and projects on buildings to be constructed within the Free Zone and Port by persons receiving the authorization to operate shall be prepared in accordance with the legislation in force in the TRNC and also, shall require the approval of the Board of Management of the Free Zone and Port. Thus, a regulation governs all processes required, audits, fee for construction and permissions.
6.37/2002	In case the operation of the Free Zone is given to an operator, the constructions to be undertaken within the Free Zone must be in compliance with the legislation in force in TRNC.
Banned Substances	7 All substances that are banned from entering into the TRNC frontiers may be brought in upon the receiving the authorization of the Council of Ministers beforehand.
Management Unit and Management	8 (1) A Board of Management composed of 4 members from ministries responsible for finance, transportation and Trade or Tourism under the presidency of a

t Board 7.37/2002		representative from the Ministry shall be responsible for the overall orientation and supervision of the Free Zone.
	(2)	Whereas the operation of the Free Zone and Port is given to a person in part or as a whole, in both cases the Board of Management shall continue to provide guidance and conduct supervisions.
		<p>In areas belonging to the government, all duties and responsibilities pertaining to the activities shall be under the authority of the Director whereas, in areas belonging to the operator, all duties and responsibilities pertaining to the activities shall be under the authority of the operator.</p> <p>The duties and responsibilities of an operator shall be determined by a contract to be entered in to by the Board and the operator.</p>
Implementat ion 8.37/2002	9	The implementaion within the area belonging to the government shall be carried out by the Director of the Free Zone and Port. The Director is responsible vis-a-vis with the Board of Directors of the Free Zone and Port and the Ministry. In case the Free Zone is contracted to an operator as a whole or in part, the reponsibilities of the operator shall be determined by a contract into which the Board of Management of the Free Zone and Port and the operator shall enter and that the Council of Ministers shall approve.
Staff  9.37/2002	10	<p>Staff of the Free Zone:</p> <p>(1) Staff working on a permanent basis;</p> <p>(2) Staff that may be recruited on a temporary basis upon the recommendation of the Director, the decision of the Board of Management and the approval of the Ministry.</p> <p>(3) Regardless whether the Free Zone and Port contracted to an operator as w whole or in part, both the permanent and the temporary staff working at the Free Zone and Port Directorate as well as Directorate shall continue to enjoy their legal rights and status. The State safeguards the employment status and social benefits of such persons.</p>
Permanent Staff Table II. Table III.	11	(1) The staff structure and grades of the permanent staff are stated in Table II of this Law. Regardless whether there is a rule in this Law that may be contrary to this, the rights, employment, disciplinary process, leave permissions, duties and responsibilities, and the dismissal from office of permanent staff, except for the Director, shall be goverened by a regulation to be issued under this law.
53/1977 12/1980	(2)	The Director shall be appointed in accordance with the Law on Senior Management and he shall be subject to the

7/1981			provisions of the Law on Civil Servants. The working
51/1982			conditions of the Director of the Free Zone and Port are
7/1979			stated in the Table III in the annex of this Law.
3/1982			
12/1982			
44/1982			
7/1979			
3/1982			
12/1982			
44/1982			
		(3)	Levels stated in II. and III. Tables correspond to those stated in the Law on Civil Serrvants.
Temporary Staff	12		Temporary staff shall be employed upon the recommendation of the Director, the decision of the Board of Management and the approval of the Ministry for a duration that shall not exceed one financial year and within the framework of levels and salaries stated in the budget of the Free Zone. A regulation shall be issued to state the rules with which temporary staff shall comply.
Budget	13	(1)	The budget of the Free Zone shall be prepared by the Board of Manangement in the month of September the latest and it is submitted to the Council of Ministers following the review and revision done by the Ministry. Upon the approval of the Council of Ministers it shall be published in the Official Gazette.
10.37/2002		(2)	In case the operation of the Free Zone is contracted to an operator as a whole or in part, this Article shall not apply to such operator.
Social Security	14	(1)	Except for the Director of the Free Zone and Port, permanent staff is covered by the Sociel Security system. All persons employed by a natural or legal persons who received the authorization to operate, shall have the right to benefit all rights pertaining to the social security system, provident fund and social insurance in TRNC.
26/1977		(2)	The Director has the right to retirement as part of the social security system and he shall be subject to the provisions of the Law on Retirement.
9/1979			
18/1980			
26/1982			
54/1982			
14/1983			
22/1983			

<p>11.37/2002 16/1976, 12/1979, 9/1981, 43/1982, 26/1985, 36/1988, 14/1990, 20/1991, 45/1998, 34/1993, 65/1993, 1/1995, 18/2000, 25/2001</p>	<p>(3)</p>	<p>In case the Free Zone is contracted to an operator as a whole or in part, the paragraphs (1) and (2) of this Article shall not apply to the director and staff of the operator. The director and the staff of the operator are all employed in accordance with the Law on Social Insurance and the Law on Provident Fund.</p>
<p>Working conditions in the Free Zone</p>	<p>15</p>	<p>The working conditions of the Free Zone, the organizational structure to be set up, the utilization methods for warehouses, land, equipment, facilities vehicles shall be established by a regulation.</p>
<p>Exemption from Customs Duty</p>	<p>16</p>	<p>(1) As far as the liability to pay customs duty is concerned, the Free Zone activities and operations fall outside the government's customs system.</p> <p>(2) The legislation on passport, travel, foreign exchange and foreign trade shall not be implemented in the Free Zone.</p>
<p>Tax Exemption 4, 41/1988 12.37/2002</p>	<p>17</p>	<p>The revenues generated by the operations and activities that fall within the scope of Article 4 of businesses or operators under the status of private person who received the operating permission pursuant to Article 5 of this Law, shall be exempted from income tax and corporate tax.</p> <p>However, tax exemption shall not apply to the revenues generated by the export to the TRNC of products or services, outside the products manufactured in the Free Zone and Port and exported to the TRNC.</p>
<p>Natural and legal persons operating in the Free Zone</p>	<p>18</p>	<p>Natural and legal persons operating in the Free Zone and Port shall be registered as foreign persons or company depending on the case and they will be subject to the provisions of the legislation on taxation and other topics that apply to foreign persons and/or companies regarding the operations and activities they will undertake within the territory of TRNC.</p>
<p>Tariffs 5,41/1988 6,41/1988</p>	<p>19</p>	<p>(1) All tariffs to be applied within the Free Zone shall be set by a regulation upon the decision of the Board of Management, recommendation of the Ministry and approval of the Council of Ministers. Fees, dockage, port and ship fees shall be accrued and collected by the Directorate of the Free Zone and Port according to the tariffs.</p>
<p>13.37/2002</p>	<p>(2)</p>	<p>In case the Free Zone is contracted to an operator as a whole or in part, all tariffs to be applied in the Free Zone shall be set by a regulation to be issued by the Council of Ministers and published in the Official Gazette by taking into account the</p>

		<p>recommendaation to be made by the operator. Fees, dockage, port and ship fees may also be accrued and collected by the operator on the condition that the provision stipulating as such are stated in the Contract.</p>
Keeping Books	20	<p>Pursuant to Article 5 of this Law, legal and natural persons who received the authoization to operate the Free Zone shall keep books on the following topics:</p> <ol style="list-style-type: none"> <li>(1) For any goods brought to the Free Zone, the date on which the goods is received, from whom and where it was received, its cost and price, in case the goods in question are manufactured, processed and packaged, then information on how much used for each unit of such goods, and all the other information that will be required by the Board of management.</li> <li>(2) Detailed information on the price with which products are sold, amount sold, the buyer and the method of sale shall be recorded regarding the products sent outside the Free Zone.</li> <li>(3) All the other records and books required by the Ministry responsible for financial affairs.</li> </ol>
Incomplete goods	21	<ol style="list-style-type: none"> <li>(1) Regardless of any other article in any other law which is in contrary to this, in case a deficiency is detected in the amount of goods brought in the Free Zone through legal means and for which customs duty has not been paid or has been paid and reimbursed, due to reasons other than those of natural depreciation, accidental damage or any other similar reason, the Director shall ask the owner of the products or the person in charge of them to pay customs duty, as stated in the customs legislation inforce in TRNC, to the Customs Department of TRNC in terms of foreign currency. In case the request for payment of customs duty is rejected within 30 days following such request, the owner or responsible of goods may be required to pay an additional fine twice as much as the customs duty due and if they fail to pay the customs duty and the fine, then their goods can be confiscated.</li> <li>(2) In case the shipping agent or the captain does not provide any answer regarding the goods listed in the ship's manifest that are not delivered to the Free Zone and Port, then the payment of the customs duty due is ensured by the Directorate of the Free Zone and Port.</li> </ol>
Security and the Free	22	<ol style="list-style-type: none"> <li>(1) The Ministry is responsible for the safety and security of the Free Zone. Rules relating to the security at borders,</li> </ol>



Zone Police Forces entries, exits, and safety within the Zone, protection and supervision of this area shall be established by a regulation.

(2) The Ministry shall take the necessary measures to establish Free Zone Polic Forces. Staff structure, duties and responsibilities, leave of absents, disciplin, employment and dismissal from office shall be established by a regulation.

(3) Regardless of any article in any ther law that may be contrary to this, the Free Zone Police Forces that are in this Zone shall make use of the authority granted to regular police forces by laws and regulations.

(4) Free Zone Police Forces may carry firearms during their duty upon the approval of the Council of Ministers.

Residence and work permit 23 (1) Residing in the Free Zone is prohibited. However, those who are assigned with the duty of protection, supervision and ensuring the security of the Free Zone and those who are deemed obliged to reside in the Free Zone due to the nature of their duties shall reside within the Free Zone upon the authorization to be given by the Ministry.

14.37/2002

- (2) Foreign experts, engineers and technical staff can be employed within the Free Zone upon the authorization of the Ministry.
- (3) In case the Free Zone is contracted to an operator as a whole or in part, then foreign experts, engineers and technical staff can be employed within the free Zone upon the permission of the operator.

Export 24 In case the necessary primary materials, subsidiary materials and packaging materials for the Free Zone operations and activities in Article 4 of this Law are bought to the Free Zone from that of the government, then this shall be considered as an export. Money, foreign exchange and foreign traide regime in force shall apply to such export.

However, all equipment, machinery, materials, fabrics and vehicles and other materials coming from TRNC resources to be consumed within the Free Zone and that are authorized by the Free Zone Directorate to enter into the Free Zone and are used to establish and equip the businesses in the Free Zone and Port, then the cost of such materials shall not be subject to the procedures relating to export on the condition that the payment for cost is made from the foreign currency accounts of the businesses in question.

Import 25 The Law on Money and Foreign Exchange and Law on Foreign Trade (Regulation and Supervision) shall not apply to the import from TRNC into the Free Zone of the machinery, tools, materials, fabrics, transport vehicles etc. necessary to set up, equip the businesses within the Free Zone and Port and necessary for the use of such businesses.

However, regardless of the origin, if goods subsidies by TRNC and goods for which customs duty is paid or exempted on certain conditions and/or imported to TRNC through temporary import method are then imported to the Free Zone in order to be used for manufacturing purposes and are imported on a continuous basis and in case their value exceeds 500 USD, then the rules of the Law on Money Foreign Exchange and Foreign Trade Law (Regulation and Supervision) shall apply.

Export 26 (1) The rules of Law on Foreign Trade (Regulation and Supervision), Customs and Excise Law, and Money and Foreign Currency Law shall apply to merchandises to be exported from the Free Zone and Port to TRNC on the condition that the sources of such merchandise are documented.

(2) In cases where goods to be exported to TRNC after being manufactured and/or assembled are required to be subject to higher tariffs regardless of their original state; on the condition that documents are presented proving that goods in question were assembled and manufactured in the Free Zone and Port, then the amount of customs duty to be paid upon their export to TRNC shall be determined by the Council of Ministers on the condition that the Value Added definition stated in Article 2 is respected and that the threshold of maximum tax level stated in Table I is not exceeded.

(3) The customs duties to be paid for materials imported into the Free Zone and Port from TRNC originating from TRNC and/or foreign origin materials for which customs duty is paid, and are re-exported to the TNC after being manufactured and assembled in the Free Zone and Port, shall be established by the Council of Ministers on the condition that the definition for Value Added in Article 2 is respected and that the highest tax rate stated in the Table I of the Preferential Tariffs Ordinance is not exceeded.

(4) No retail sales with passengers can be made at the Free Port and Zone except for the ship chandlers.

Shipments addressed to conventional 27 (1) In case a shipment addressed to a conventional port is obliged to be unloaded at the Free Port's dock due to any reason, the shipment is received by the Customs

ports that arrives to or departs from the Free Port and Zone

Directorate on the spot and is taken to the conventional port in question under the supervision and control of Customs. In such cases, the shipment is considered to be shipped to the conventional port directly and customs legislation and tariffs are applied. No additional customs transactions are carried out for shipment taken to the conventional port under the supervision and control of Customs.

- (2) In case it is mandatory to export the shipment outside TRNC from a conventional port through the Free Port, the shipment is taken from the boundaries of the conventional port until the ship under the monitoring and supervision of customs after a ship's manifest is prepared and given to the Customs administration. In such practices, no additional customs transactions are required apart from the monitoring and supervision of Customs, and Conventional Port legislation and tariffs shall apply.

Transactions relating to FX and foreign currency

- (1) Natural and legal persons operating in the Free Zone and all payments of businesses such as fees, fees against goods and services, salaries and wages, rents, concession fees and all other fees are made, in accordance with the legislation in force, in any foreign currencies that is internationally convertible except for Turkish Lira and Cyprus Pound; Such payments are made from an external account at a bank that operates in the Free Zone, if not, from an external account to be opened at a bank that operates within the boundaries of the government.

9,41/1988

- (2) All payments stipulated by this law, such as fee for goods and services, salaries, wages, concession fees, tax, rents, fines, charges and all the other similar, shall be made in foreign currencies that can be converted internationally except for Turkish Lira and Cyprus Pound.

However, it is possible to make such payment in Turkish Lira on the condition that the currency in question is converted into Turkish Lira on the day of payment based on the official exchange rates and that a proof showing that such conversion has taken place in a TRNC bank can be provided.

- (3) Except for those stated in paragraph (1), all currencies can be freely transferred (External Account) to banks authorized by the State to deal with foreign currencies, to outside banks as foreign currencies, transferred to the banks in the Free Zone, and also such currencies can be transferred from these banks to other countries.

29 The provisions to be agreed at certain periods among the TRNC

and the Republic of Turkey shall determine whether the products to be produced in the Free Zone and products to be processed in the Free Zone may benefit from the special commercial relationship between these parties or to what extent these products can benefit from such relationship.

<p>Impelemetation of the Law on Regulation of the Port Chapter 294 28/1961 30/1974 15/1983</p>	<p>30</p>	<p>(1) All Articles of the Law on Port Regulation, except for Articles 1., 3., 5., 6., 7., 8., 9., 10., 11., 12., 13., 14. and 23, shall apply to the Free Port.</p> <p>(2) For the purposes of this Article, all refernces made to Port Authority within the Law on Port Regulation shall be considered to have been made to the Free Zone Directorate, and all references made to the Controler shall be considered to have been made to the Free Zone Director.</p>
<p>Surveys and Supervisions</p>	<p>31</p>	<p>The survey of merchandise to be processed or produced in the Free Zone and Port in terms of quality and quantity shall be undertaken by the local survey establishments in TRNC and/or by establishments registered in TRNC. Such establishments are responsible for implementing surveys on the Free Zone and Port and also protecting the international reputation of the Free Zone and Port.</p> <p>The Ministry bears all sorts of rights pertaining to surveys and supervision.</p> <p>The Ministry may decide to revoke the operations of the establishments in question.</p>
<p>Services against fee</p>	<p>32</p>	<p>(1) Ships along the pier of the Frew Zone and Port;</p> <p>(A) Tug pilot services;</p> <p>(B) Hawser boat;</p> <p>(C) Light beacon ;</p> <p>(D) surveys on safety of ships; Such surveys are undertaken by the Department of Ports upon the request of either the Free Zone Directorate or the operator. All fees against the crane and all the other equipment provided upon</p>

16.37/2002

request for use are paid to the Department of Ports based on the tariffs.

16.37/2002 (2) All applications for services stated in paragraph (1) above, are made through filling in the Application Forms of the Department of Ports by either the Free Zone Directorate or the operator. The fees against the services provided are accrued in Turkish Lira based on the tariffs of the Department of Ports, and are collected against the receipt from the Free Zone Directorate.

(3) Commercial surveys of ships docked at the Free Port pier shall be undertaken by competent and/or natural or legal persons registered in TRNC.

However, such surveys can also be undertaken by the Free Zone or Department of Ports or staff who are given such authority in case of outmost emergency.

16.37/2002 (4) Upon the application to be made by the Free Zone Directorate or the operator, fee against a municipal service to be provided by municipality shall be collected from the beneficiary of such service and be paid the municipality in question by the Free Zone Directorate or the operator.

Crime and Penalty 33 (1) Any person who takes a good, which is to be used in the Free Zone in accordance with Article 21, without taking the necessary permission into the Free Zone, that person shall be considered to have committed a crime and in case he/she is found guilty, they may be sentenced to imprisonment for up to 3 years and \$3,000 fine or both. The court may decide that the monetary fine be paid in Turkish Lira based on the official exchange rates.

(2) Including the ships bringing shipments to the Free Zone and having to dock at conventional ports due to the busy traffic, Captains of ships that are within the boundaries of the Free Zone and Port, all ship agencies or their representatives operating within this area, port workers, contractors, truck and other vehicle drivers, companies, other natural and legal persons shall obey the instruction to be given by the Director of the Free Zone on behalf of the Ministry or any officer to be assigned with this duty by the Director pursuant to this Law or Law on Port Regulation. Captains of Ships, shipping agencies or representatives must act in compliance with such instruction. Those who do not act in compliance with such instructions shall be considered to have committed a crime and shall be subject to a fine up to 500 USD. The court may decide that the fine be paid in Turkish Lira

Section294  
28/1961  
30/1974  
15/1983

based on the official exchange rates.

- (3) In case a captain of a ship or agency avoids paying the fees established by this Law, their ship can be seized by the Director of the Free Zone or by an officer assigned until a satisfying guarantee is presented for the payment of such fees or that they will be paid.
- (4) In case fees against services provided for shipments brought into the Free Zone are not paid in a timely manner by the owner of the shipment or his/her representative, the Directorate of the Free Zone can seize the shipment unloaded or to be loaded to the ship until the person in question provides a guarantee that such payments will be made.
- (5) All ships and other vehicles sailing in the waters of the Free Zone of TRNC must travel at 5 nautical miles at most. Captains of ships, owners or drivers of private yachts or small vessels who fail to comply with this rule shall be considered to have committed a crime and in case they are found guilty they may pay a fine upto 300 USD. The court may decide that the fine be paid in Turkish Lira based on the official exchange rates.
- (6) It is prohibited to throw, pour and/or pump dirt, all types of waste, plastic bags, fuel, oil etc. in the water, on the warf or pier within the boundaries of the Free Zone. The captain of a ship and the crew are responsible in leaving, on the pier where the ship is, all types of waste and trash accumulated on the ship in bin bags or containers. It is the responsibility of the Directorate of the Free Zone to have such bin and waste left on the pier collected everyday or regularly on certain days. In addition to this, it is an obligation on the side of the captain of the ship, his agent, owner of the shipment or his representatives to to sweep or wash off all types of waste generated when loading and unloading the shipment, after the ship in question leaves the dock and moves to another. This Article also applies to factories and enterprises operating within the Free Zone and captain of ships, his agent, owner of the vessel, importer and exporter or any other natural or legal persons who act in breach of this Article shall be considered to have committed a crime and may be sentenced upto 1000 USD in case they are found guilty. The court may decide that the fine be paid in Turkish Lira based on the official exchange rates.

Table IV.  
10,41/1988

- (7) Captains of all commercial ships stopping at the Free Zone, shall provide the following documents to the

17.37/2002

Directorate of the Free Zone or to the operator in case the Free Zone is contracted to an operator;

- (A) A captain's entry document;
- (B) A ship's manifest to be delivered within the 24 hour- period before the shipment is unloaded;
- (C) List of passengers and/or staff, other documents and information, a proxy document, in accordance with the example shown in Table IV of this Law, showing that the captain assigned a shipping agent and that the agent in question accepted this duty regarding all the operations and functions to be undertaken during the time of their stay at the Free Port and making of payments of all fees to be accrued. Captains who fail to comply with this provision and submit a false declaration shall be considered to have committed a crime and can be subject to fine up to 1000 USD. The court may decide that the fine be paid in Turkish Lira based on the official exchange rates.

- (8) Those who act in breach of any of the provisions of this Law that are cited outside the section on Crime and Punishment can be subject to a fine up to 200,000 USD.

Closing the Free port for traffic

34

- (1) In case the Free Port is closed for traffic where interests of the State dictates so, or deemed necessary to fulfil its international responsibilities, upon the application of the Directorate, the Director of Ports has the authority to do this.
- (2) Captain or owner of a ship who attempts to leave this port or enters or attempts to enter into this port by violating the bann (closing of the Free Port) imposed by the ordinance issued under paragraph (1), shall be considered to have committed a crime and in case of he/she found guilty, he can be sentenced to imprisonment that shall not exceed 2 years or 2,000 USD or both. The court may rule that the fine be paid in Turkish Liras based on the official exchange rates.

Judicial Power

35

- (1) As far as the use of judicial power is concerned, the Free Zone is considered to be within the boundaries of the TRNC and falls into the jurisdiction of local courts, without having prejudice to the authority of the High Court.

18.37/2002

		(2)	The local court where the Free Zone is located, deal with criminal and civil proceedings on crimes committed under this Law, crimes committed within the Free Zone and disputes that arise due to operations undertaken within the Free Zone .
18.37/2002			
Authority to issue a regulation	36		The Council of Ministers has the authority to issue a regulation to facilitate the implementation of this Law.
Authority to abolish and preserve the procedures that began	37	(1)	As of the date this Law comes into force, the Law on the Free Zone and Port along with the Decision on Tax Exemptions for the Free Zone and Port are abolished. However, regulations and tariffs established under the Law on the Free Zone and Port shall remain in effect until the new is prepared and they are considered under this Law.
		(2)	Any operation undertaken or to be undertaken under the law, decision, regulation, notification that were in effect prior to the date this Law entered into force, shall not be interrupted.
16/1981 30/1981		(3)	Job positions such as of Director of the Free Port, Head of Administrative Affairs, Head of Accounting, Class II Warehouse Officer, Class III Finance Officer, Assistant Book Keeper and Class II Office Boy and Driver stated by the Table in the Annex of the Law on General Staff Structure, under the Free Port Management heading, shall be abrogated as of the date on which this Law enters in force.
Power of Execution	38		The Minister responsible for industrial affairs executes this law on behalf of the Council of Minister.
Enactment	39		This Law shall be in force as of the day it is published in the Official Gazette.

TABLE II.  
(Article 11 )

PERMANENT STAFF OF THE FREE ZONE AND PORT MANAGEMENT

Name of position	Number	Job category	Grade	Level
Director of Free	1	Senior Level	II	18 A



Port and Zone Security Chef	1	Manager Administrative Services	I	15-16
Head of Financial Affairs	1	Financial Services	I	15-16
Head of Administrative Affairs	1	Administrative Services	I	15-16
Head of Warehouse Affairs	1	Financial Services	I	15-16
Sanayi Mühendisi	1	Engineering and Architectural Services	I-II-III (Combined )	11-12-13-14- 15-16
Senior Level Security officer	2	Customs Controller	I	13-14
Class I. Warehouse Wfficer	2	Mali Hizmetler simfi	II	12-13-14
Class II. Warehouse Officer	3	Financial Services	III	10-11-12
Class I.Finance Officer	2	Financial Services	II	12-13-14
Class II.Finance Officer	2	Financial Services	III	10-11-12
Class I.Secretary	1	Clerical Staff	III	9-10
Class II.Secretary	1	Clerical Staff	IV	5-6-7-8
Security Officer	18	Customs Controller	III	9-10
Class II. Office boy	1	Office-boy and driver	II	1-2-3-4-5-6- 7-
Worker	2			
Total	41			

## JOB DESCRIPTION OF THE DIRECTOR OF THE FREE ZONE AND PORT

Title of Position: Director of the Free Zone and Port

Job Category : Management

(Senior Level Manager)

Grade : II (First appointment and promotion)

Number : 1

Salary grade : Grade 18 A

I Duties, Authority and Responsibilities:

To implement the Law on the Free Zone and Port and to regulate, supervise the relevant practices, prepare the possible amendments to be made to the law; regulate, manage, implement and monitor the activities of the department; to represent the Free Zone and Port Management within the scope pf the authority to be given by the Board of Management.

II Necessary Qualifications:

- (1) (a) To be a graduate of university or school in appropriate fields or have experience in administration in public sector, industry, trade, being a captain or to have minimum 8 years of successful experience with responsibilities in customs; or
- (b) To have a good education and graduate from a school that is not less than a secondary school with 6 years of education, and have at least 12 years of successful work experience in ports, customs, industry, trade and other service areas of the public sector.
- 2 Able to take initiatives, bears managerial skills.
- 3 Succeed in examinations to be organized under the relevant legislations.
- 4 Knowledge of English or any other useful language.

TABLE IV  
(Article 34 (7) )  
AGENT APPOINTMENT DOCUMENT FOR THE FREE ZONE AND PORT

FLAG.....	SHIP's	SHIP's
.....PORT	NAME:	CALL
Sign.....		

I ....., coming from.....port to .....port on.....19....., appoint.....as my agent. Pursuant to .....Free Zone and Port Law Article 34(7), he shall represent me, at \* departures/arrivals on all affairs relating to Port and Trade legislations during the stay at TRNC ports, he shall have the authority to sign all types of document concerning myself and my ship, deliver such documents to the relevant authorities and he shall make all payments to be accrued on my ship's name.

.....  
Captain

Date ..... 19.....

\*Cross out those that do not apply.

DECLARATION OF THE SHIPPING AGENT

I acknowledge and declare that \*I accept/I do not accept the appointment made above in accordance with the terms stated by the Captain.

.....

Shipping Agent

Famagusta, ..... 19 .....

\*Cross out those that do not apply.