

TECHNOLOGY DEVELOPMENT ZONES IMPLEMENTATION REGULATION

FIRST PART

General Provisions

Purpose, Scope, Legal Basis, Abbreviations and Definitions

Purpose

Article 1- The purpose of this regulation shall be to arrange the procedures and principles concerning the implementation of the Law on Technology Development Zones (Law No. 4691)

Scope

Article 2- This regulation covers the activities of the Assessment Board; selection of the location for the Zones; the preparation criteria of feasibility reports, establishment, operations and land utilization of the Zones; the activities to take place in the Zone as well as the pertaining procedures and principles; the principles on the utilization of the appropriation allocated to the budget of the Ministry for the establishment of the Zones and other issues concerning the implementation of the Law.

Legal Basis

Article 3- This regulation is prepared as per Article 9 of the Law on Technology Development Zones No. 4691 which entered into force upon its publication in the Official Gazette dated 06.07.2001 and numbered 24454, and as per Article 33 of the Law on Establishment and Duties of the Ministry of Industry and Trade No. 3143 which entered into force upon its publication in the Official Gazette dated 18.01.1985 and numbered 18639.

Abbreviations and Definitions

Article 4- In the enforcement of this Law;

R&D : shall refer to Research and Development,

SPO : shall refer to State Planning Organization,

YOK : shall refer to Turkish Council of Higher Education,

TUBITAK : shall refer to the Scientific and Technical Research Council of Turkey,

TOBB : shall refer to the Turkish Union of Chambers and Commodity Exchanges,

TTGV : shall refer to Technology Development Foundation of Turkey,

KOSGEB : shall refer to the Presidency of Small and Medium Industry Development Organization,

The Law : shall refer to the Law on Technology Development Zones numbered 4691,

Ministry: shall refer to the Ministry of Industry and Trade,

General Directorate: shall refer to the General Directorate of Research and Development of the Ministry,

Zone : shall refer to the Technology Development Zone,

Technology Development Zones: shall refer to a site where academic, economic and social structures become integrated or a technopark which has these characteristics, where, by benefiting from the opportunities of a particular university or higher technology institute or R&D centre or institute, companies using high/advanced technology or companies that aim at new technologies produce/develop technology or software, where the companies work to transform a technological invention into a commercial product, method or service, thus contributing to the development of the zone, which is in the premises or close to the same university, higher technological institute or the R&D centre or institute,

R&D: shall refer to the regular activities carried out with the purpose of obtaining new knowledge that will enable the development of science and technology or creating new equipment, products and tools using the available information, creating new systems, processes and services including software production or improving those that are available,

R&D Centers or Institutes: shall refer to the publicly owned sites which contain qualified human workforce and machinery, equipment and software based on current modern technologies, where R&D activities that aim at the development of technology and products are carried out,

Production Units: shall refer to the production units based on new and high technologies and that do not harm the environment which are established or used by the real persons or legal entities that operate within the Zone in accordance with the purpose of this Law,

Entrepreneur: shall refer to the real persons or legal entities that would like to benefit or are benefiting from the services and opportunities in the Zone,

Production Activities based on R&D: shall refer to the commercialization and production of the R&D activities completely realized in the Zone by the entrepreneurs acting in the Zone that result in original process, service, methodology, production technique, utility equipment, material, software, product and systems within the production units in the Zone.

Innovation: shall refer to transforming an idea into a new or developed method that is used in the production of a new or improved product or production of goods and services,

Product Innovation: shall refer to a product, which, when compared with the earlier range of products, shows substantial technological differences in material, parts and function,

Innovation in Production Methods: shall refer to the method which is used in the production of new or improved products that cannot be produced traditional facilities or in the production of products that are currently being produced using new techniques.

Software: shall refer to all documents and services which contain the series of commands or the programmes and their code lists, operating manual and instructions for use that enable a computer, communication device or any other device that is based on information technologies to operate and to perform required operations according to the given data.

University: shall refer to the universities which have been approved by the Council of Higher Education as having completed their structure in the branches of engineering and basic sciences in terms of both the human force and technical equipment, and as having a sufficient number of research staff at the level of doctorate students,

Founding Committee: shall refer to the Committee which is formed of the representatives of at least one university or higher technological institute or public R & D centre or institute and the representatives of other institutions that are in the Zone or in the province where the Zone is situated,

Managing Company: shall refer to the company which is founded in accordance with this Law and as a joint stock company and which is responsible for managing and operating the Zone,

Application File: shall refer to the file that includes feasibility report and required documents,

Zone Operations Directive: shall refer to the directive prepared by the Managing Company which covers the procedures and principles on the services to be provided to the entrepreneurs in the Zone and the activities and practices to be carried out in the Zone,

Appropriation: The money allocated to the budget of Ministry for financial aid purposes pertaining to the part of the cost of land supply, infrastructure and construction of administrative building required for the establishment of the Zones but cannot be financed by the Managing Company,

Administrative Building: shall refer to the structure to be utilized by the Managing Company personnel to be employed to carry out the services to be provided in the Zone that includes the office spaces, technical and social spaces, and excludes parts rented by the managing company to entrepreneurs other than incubators.

Research Personnel: shall refer to the specialized academic personnel, who work for the universities which are needed for their service in the activities of the Zone and the specialized personnel, with at least a graduate degree, who work for a research center or institute that belongs to the public institutions and agencies.

Software Personnel: shall refer to the qualified personnel developing and producing software who is sufficiently experienced and educated within his/her field of expertise, who work in the process defined as software,

R&D personnel: shall refer to the experienced personnel within his/her field of expertise and qualified support personnel working in the R&D activities, and the personnel dealing with the planning and management, monitoring and evaluating, and supporting of the scientific and technical aspects of the R&D activities

SECOND PART

Establishment, Planning, Design And Management of the Zone

FIRST SECTION

Procedures and Principles on the Establishment of the Zone and Activities to take place in the Zone

Establishment purpose of the Zone and the activities in the Zone

Article 5- Purpose of the establishment of the Zone is to; provide the necessary technological infrastructure to produce technological knowledge to make the national industry internationally competitive and re-structuring it positioned to be capable to export, develop innovation in product and production methodology, increase the quality and standards of product, increase the design quality, increase the efficiency, decrease the production cost, commercialize the technological information, support the technologically-intense production and entrepreneurship, provide the adaptation of the SME's to the new and advanced technologies, create investment opportunities in the technology dense zones taking into consideration the resolutions of the Science and Technology Higher Council, provide recruitment opportunities for qualified staff, facilitate technology transfer and to accelerate the penetration of the high/advanced technology providing foreign investment, let multinational firms which have R&D skills and tradition operate in the Zone and perform R&D, cooperating with the universities, research institutions and firms and the production sectors.

Formation of Founding Committee

Article 6- Representatives of, at least one of the university or high technology institute or public R&D center or institute within the Zone or the city of the Zone, and other institutions defined in the Article 14 of the regulation that want to participate, shall come together to form the Founding Committee under a commonly prepared protocol to establish the Zone.

Selection of the Zone Location

Article 7- It is required to include at least one university or high technology institute or public R&D center or institute within the borders of the province that the Zone is to be established and to have sufficient R&D and industry potential.

Founding Committee also takes into consideration the proximity of the area prescribed as Zone to the land of university or high education institute or public R&D center or institute which are in the Committee, the qualifications of the industrialists and entrepreneurs in that area, the potential of educated human resources, the geological status of zone, the social and technical infrastructure, its compliance with the objectives of national development plans, and if any, the Environmental Plan content, land ownership and cadastral status of the selected land, convenience of allocation and purchasing, existing land utilization status, which transportation axes are on the land and/or next to the land.

The areas within the scope of Law on Coastal Areas, water preservation areas, geologically dangerous areas, agricultural lands, pasture and forest lands, national parks, historical site areas, tourism zones and centers, military zones, special environmental protection areas, areas subject to international agreements can not be chosen to establish Zone. However, within the areas which are subject to restrictions as mentioned above, those parts that the relevant legislation permits to be chosen as Zone may be chosen as Zone. Relevant institutions and agencies shall document that there are no restrictions for the chosen area or that relevant legislation permits that land to be chosen as Zone despite the restrictions.

Highways, railways, harbors, airports, university or high technology institute or public R&D center or institute areas, existing or under construction industrial zones, city borders, urban areas, municipality borders and governorship domain borders, and solid waste stock areas are indicated on the 1/25000 scale topographic map on which the Zone borders are also shown. If applicable, higher scale plan provisions and 1:5000 scale existing situation maps also demonstrating the slope and altitude analysis as approved by the relevant authority will be supplemented. The observational geological study report for the area defining the natural disaster and earthquake conditions, that is confirmed by the General Directorate of Disaster Affairs and the Aerial Barrier Plans should also be included.

The borders of the Zone should be drawn on a map of adequate scale, preferably on a scale of 1:25.000, including the coordinates of the lots included. In the event that the Zone application is found appropriate by the Evaluation Committee, this map will be presented to the Council of Ministers, to finalize the borders of the Zone.

Adequacy of the existing R&D and industry potential in the zone

Article 8- Evaluation Committee shall decide whether the existing R&D and industry potential in the zone is adequate or not by evaluating the information provided in the feasibility report.

Zone establishment application

Article 9- Founding Committee shall make the application to the General Directorate using the application file prepared in 7 duplicates.

The documents required to be included in the Zone establishment application file:

- a) Establishment application letter,
- b) Legal documents and approved cadastral maps indicating the ownership status of the land allocated for the Zone,
- c) The documents required as per the 3rd, 4th, and 5th paragraphs of the 7th article of this regulation,
- d) Feasibility report and its attachments published in the attachment of this regulation and prepared regarding the Technology Development Zone Feasibility Report Preparation Procedures.

The completeness of the application file shall be checked by the General Directorate within 15 days. If the application file is complete, the Evaluation Committee shall commence the evaluation process on this date or if not, within two months as of the date that the Founding Committee completes the identified deficiencies in the file. The Zone establishment application file shall be presented for the evaluation of the Evaluation Committee by the General Directorate latest 15 days prior to the meeting date.

Formation of Evaluation Committee

Article 10- Under the chairmanship of the General Director of Industrial Research and Development of the Ministry, the Evaluation Committee shall be formed with the following institutions' assignment of one permanent and one substitute representative who possess the necessary educational background, knowledge, experience and authority to evaluate the Zone establishment application file in terms of the issues related to the provisions of the Law and the Regulation and the matters that interest the institutions they represent.

- a) The Ministry of Public Works and Settlement,
- b) SPO,
- c) YOK,
- d) TUBITAK,
- e) TOBB,
- f) TTGV

The private institution operating in the field of technology that will participate in the Evaluation Committee has been defined as TTGV by the Ministry.

Working procedures and principles of the Evaluation Committee

Article 11- The working procedures and principles of the Evaluation Committee shall be regulated as follows:

- a) The Committee shall convene under the chair of General Director of Industrial Research and Development of the Ministry with the participation of at least five members.
- b) The secretariat works of the Committee shall be carried out by the General Directorate.
- c) When a Zone establishment application is made to the General Directorate, the Committee shall convene upon the invitation of the General Directorate. Furthermore, in the case of a development regarding the Zone in the own Institutions of Committee members, a meeting may be held with the call of General Directorate for the purpose of informing other members.
- d) Committee members shall evaluate the application file as per the Law and the Regulation in terms of the matters that are relevant to their institutions and;
 - 1) The appropriateness of the land chosen for the Zone according to the development plans, if any, higher scaled plan provisions and other land allocation criteria.
 - 2) Adequacy of the existing R&D potential in the zone,
 - 3) Adequacy of the university or high technology institute or public R&D center or institute that are cooperating in the establishment of Zone,
 - 4) Appropriateness of the technological areas in which the Zone will be operating to the purpose of the Law,
 - 5) Whether the production, market and sector expectations in zone are at a level to sufficiently create a positive effect,
 - 6) Whether it will be possible to produce and develop new and advanced technologies in the Zone,

7) Possible contribution of the Zone to be established to the economical, technological, social and cultural development of the country and the region,

8) Possible contribution of the cooperating institutions and agencies to the formation of Zone and its success,

9) Adequacy of the strength and operation scales of the entrepreneurs that will exist in the Zone regarding the R&D and software activities,

10) Adequacy of the financial structure and receivable financial support of the Zone founders for the Zone establishment and administration,
shall be evaluated and the Committee members shall participate the meeting with the preliminary report regarding their opinion about the application file.

e) In conditions deemed necessary, the Committee may ask oral or written opinions of relevant public institutions and agencies, local administrations, trade associations, real persons and legal entities, and may call the application owner for a meeting or may carry out on-site examination.

f) Zone establishment decision shall be made by the same vote of at least five members.

g) The reasoned decision about the applications shall be prepared by the secretariat and presented to the signatures of the Committee members.

h) If the application is found appropriate by the Committee, the Committee decision about the application shall be presented to the Ministry,

i) Committee decision about the Zone shall be declared in writing to the relevant Founding Committee by the secretariat.

Zone declaration

Article 12- The approval of the Evaluation Committee shall be presented to the Council of Ministers by the Ministry. Zone declared by the Council of Ministers shall be published in the official gazette.

The finalized Zone borders by the Council of Ministers shall be sent to the Ministry of Public Works and Settlement and other relevant institutions to make the necessary plan changes.

Establishment of the Managing Company

Article 13- After the publishing of the Zone establishment decision in the official gazette and its notification to the Founding Committee; according to the contribution rate of the representatives of the Founding Committee, the Managing Company shall be established in the status of a joint stock company, which shall be responsible for the management and operation of the Zone. However, before the establishment of the company, the main contract of the company shall be reviewed by the General Directorate in terms of its appropriateness of it to the Law and the regulation. In cases where it is deemed necessary, the General Directorate shall call for a change in the main contract of the Managing Company in terms of its compliance to the purpose of the Law.

If the Founding Committee has established the joint-stock company before the Zone application is made, in order to for it to start its activities with a Managing Company status, the Committee shall send the company main contract to the General Directorate following the declaration of the Zone. As a result of the review of General Directorate, if deemed necessary as per the purpose of the Law, certain changes are requested to be made in the main contract.

Following the commencement of the activities of Managing Company, in the case of a need for a change in the main contract of company, the changes to be made shall be subject to the prior permission of General Directorate.

Founders of Managing Company

Article 14- It is a must that at least one university or high technology institute or public R&D center or institute within the Zone or the province of the Zone is included among the founders of Managing Company that is responsible for the management and operations of Zone. Those institutions and agencies may participate in the Managing Company by their companies and/or foundation companies.

In addition;

a) Chambers and Commodity Exchanges affiliated to the Turkish Union of Chambers and Commodity Exchanges,

b) Local Administrations,

c) Banks and finance institutions,

d) National and Foreign private legal entities,

e) Foundations and associations related to R&D and technology development,

f) Relevant public institutions,

g) Unions of Exporters,

may participate as founder or later on as a partner to the Managing Company.

Foreign private legal entities may join the Managing Company, taking into consideration the Law on Foreign Capital Incentives No. 6224 and the provisions of relevant legislation on condition that relevant permissions thereby are taken.

Duties and responsibilities of Managing Company regarding the establishment, administration and operation of the Zone

Article 15- Managing Company shall be responsible for the following duties;

- a) Management and operation of the Zone,
- b) Within the planning process, preparation of the development plans and their revisions, lot plans and their revisions according to the Law no: 3194 and the relevant regulations, also taking into consideration if any, Landscape Plan provisions, and their presentation to the Ministry for approval,
- c) Preparation of the architectural and other projects according to the Law no: 3194, its regulations, other laws, regulations and rules relevant to the development plans, science, health and environmental conditions, and according to the standards and technical provisions set forth by the Turkish Standards Institute,
- d) Submission of the Overall Termination Plan including the processes covering the period from the establishment of the Zone and to the commencement of Zone's activities, and if an application for appropriation has been made, submission of the action plan defining the usage of the appropriation to the General Directorate,
- e) Carrying out the necessary transactions according to the Law on Structure Inspection no. 4708,
- f) Working in coordination with the relevant institutions and agencies and within the framework of related legislations, the Managing Company shall take precautionary actions regarding the management of waste water, waste water infrastructure facilities, solid waste, earth pollution, noise and air pollution, dangerous medical waste, radioactive material and dangerous chemicals and subjects covering preventing fire and fire control systems and natural disasters,
- g) Insuring all the buildings rented to entrepreneurs against fire dangers and natural disasters,
- h) Supplying cleaning, electricity, drinking and utilization water, natural gas and fuel-oil, heating and air conditioning, logistics network, canalization, waste water, internal roads within the Zone, voice and data communication, internet services and other services and taking precautionary actions to provide the continuity of them, defining the work rules, pricing and accounting planning and actualization, making all kind of repairs and periodic check-up, providing the compensation of the losses from damages to structures and infrastructures determining the ones who damaged them.
- i) If the Zone is within the university area, providing the usage of the fire fighting facilities in the university, if it is outside the university area, providing the sufficient number of fire fighting facilities.
- j) Evaluating the requests of institutions, agencies and entrepreneurs that want to be present in the Zone and allocating space to the approved ones,
- k) Preparing Zone Operation Directive and submission of a copy to the General Directorate,
- l) Handling the requests of entrepreneurs in Zone regarding the utilization of facilities and experiences of university or R&D centers and institutes in coordination with the related units.
- m) In cases deemed necessary, approval and documentation of the appropriateness of the software and R&D projects of entrepreneurs produced exclusively in the Zone, by the universities or high technology institutes or public R&D center or institutes other than partners in foundation of Zone or by TUBITAK or referees defined by TUBITAK with regards to the purposes defined by the Law,
- n) Archiving and supplying when required; the list of all research personnel, software developer and R&D personnel employed in the Zone, their job definitions in R&D projects, monthly work schedules and qualifications,
- o) Presentation of; the activities, applications and the efforts made for efficient and effective management of Zone; the data, information and statistics in the format defined by the General Directorate that can be integrated to electronic platform,
- p) Taking precautionary actions regarding the detection of contrary activities of entrepreneurs and third parties to the purpose of the Law, warning the entrepreneurs to take corrective actions of contrary activities and making the necessary arrangements to expel the entrepreneurs do not take corrective actions during the time allowed.

Also, depending on the needs arising within the Zone, the Managing Company may provide consulting services to entrepreneurs in training, incubation, test, calibration and quality assurance and technical services in trademark registration, copyrights, patenting, company establishment, technology transfer, financing, venture capital, marketing and exporting and, in lieu of common needs of the firms, institutions and entrepreneurs in Zone, and Managing Company may facilitate formation of new and high technology labs and production units, their management, serving to the interested parties with a fee, purchasing or rental of vital production, test and control tool and machinery and equipments where it is not possible for entrepreneurs to afford or realize due financial and technical limitations, and Managing Company may facilitate in recruiting personnel who are expert and experienced in his/her field, supplying

partnership and coordination with relevant people or institutions, to use the relevant tool, machinery and equipment related to those services.

Employment of Personnel in the Zone

Article 16– Employment of personnel in Zone and in the Managing Company shall be carried out according to the labor and working legislation in force. In such Zones, foreign managers and qualified R&D personnel may be employed within the framework of Law on Foreign Capital Incentives no. 6224 and provisions of relevant legislation.

The personnel of public institutions and agencies and those of universities that are needed to provide services as research personnel for the activities in the Zone may be employed part-time or full-time upon the permission of their institutions. The earnings of lecturers, academic staff and research assistants working as part-time personnel shall be kept outside the scope of the university's revolving fund. The personnel that will be employed on a full-time basis shall be given an un-paid leave by their institutions and their link to their position shall continue. The retirement rights of those who are subject to the Law of Turkish Republic Retirement Fund No. 5434 shall be reserved on the condition that provisions of Article 31 of Law No. 5453 are abided by. The provisions of Article 36 of the Law on Higher Education No. 2547 that are contrary to the provisions of this article shall not be applied.

The academic staff who are working on a temporary assignment basis both domestically and abroad as foreseen in Article 39 of Law No. 2547 may carry out their studies in the institutions of the Zone upon the permission of the Executive Board of the University. The earnings of the lecturers who are appointed in the Zone on paid leave shall be kept outside the scope of revolving fund of the University. Furthermore, the academic staff ,with the permission of the Executive Board of the University, may establish a company for the purpose of commercializing the outcome of their studies, may take up partnerships in an established company and/or may assume positions in the management of such companies

Section 2

Planning and Project Management of the Zone

Expropriation of the Zone

Article 17- The expropriation of the land chosen for the Zone shall be performed in accordance with the provisions of Expropriation Law no 2942. University lands that are within the area of the Zone may be allocated to the managing company with the agreement of the Universities and provided that they remain as the property of the University. This is also applicable for lands under the property of public institutions and agencies.

Intra-Zone Construction Plan

Article 18- Intra-Zone construction plans and their modifications shall be prepared or ordered to prepared by managing company of the Zone according to the Law on Construction Plan no. 3194 or if any, to higher scaled planning provisions and shall enter into force upon their approval by the Ministry. Intra-Zone construction plans shall be announced by the municipalities if they are within the municipalities or adjacent Zones; otherwise by the governor's offices, for a period of one month following the transition date. Such announcements shall be made through local and national press channels and presented to the information of the public.

Construction plans may be objected within a one month period. Objections shall be referred to the Ministry by the relevant authorities following the end of the announcement period. Objections conveyed to the Ministry shall be evaluated and finalized within a one-month period. Changes in the construction plan shall be subject to the same procedures and principles.

The Managing Company may prepare the Construction Plans of the Zone by forming a planning group, in case it employs the responsible city planner that has the eligibility certificate according to the Regulation on the Competency of Persons or Institutions to Undertake the Preparation of Construction Plans No. 3194 published in the Official Gazette no: 18916 and dated 02.11.1985. Managing companies not having such qualifications may outsource the preparation of construction plans to competent planners or institutions.

Within the overall area to be planned, the overall enclosed construction area may not exceed 40%, on condition that the maximum building height is not limited.

Finalized constructions plans shall be sent to the relevant institutions for information.

Utilization of the Zone's Area

Article 19- While it is by principle that the area identified as Zone is utilized within the framework of the purposes of the Law, for the purpose of ensuring the establishment of academic, economic and social structure of the Zone, the Managing Company may establish, operate or rent necessary buildings and facilities on an area not exceeding 30% of total settlement right of the Zone, in order to create the economic, social and cultural infrastructure required by the Zone and in order to generate activities to be carried out in line with the purposes of the Zone. However, such real estate cannot be sold.

Principles for the preparation of lot or plot allocation plans

Article 20- Land lots or plot distribution shall be prepared by the Managing Company according to the finalized application construction plan and shall enter into force upon its approval by the Ministry. Plots shall be allocated using map coordinates on lots and superficies shall be identified for the buildings. Superficies and settlement conditions shall be identified according to the areas allocated on the corner coordinates.

Licenses and Permits

Article 21- The designs required for the buildings to be constructed in the Zone shall be outsourced for preparation by the Managing company and/or entrepreneurs in accordance with the principles set forth in the Law on Construction Plan No. 3194. The licenses and necessary permits for such structures shall be issued and supervised in accordance with the relevant provisions of the Law on Construction Plan No. 3194.

Other Considerations

Article 22- Construction and planning issues not covered within this regulation shall be subject to the relevant provisions of the Law on Construction Plan No. 3194 and the relevant regulation.

PART THREE

Supports, Principles on the Preparation of Plans and Designs if the appropriation request is deemed appropriate, Reviewing of Progress Payment Reports, Disbursement of Appropriation and Exemptions

SECTION ONE

Supports

Determination of the budgetary appropriation to be utilized for the purpose of financial aid to the Zone

Article 23- Among the expenditures on land acquisition, construction of infrastructure and administrative building that are necessary for the establishment of the Zone, the part that cannot be covered by the managing companies may be covered in a limited manner by the appropriation provided in the budget of the Ministry under Zone services section. The project appropriations for expenditures to be incurred towards such purposes shall be included in the annual investment plans. Such appropriations shall be utilized within the spending plans determined by the Ministry of Finance.

After the declaration of the Zone, the managing company of the Zone may request appropriation from the General Directorate together with the justifications for the uncovered part of the costs that are associated with the construction of infrastructure, administrative building and acquisition of land. This appropriation to be allocated to the managing company shall be for financial assistance purposes and is unrecoverable.

Managing companies and entrepreneurs may benefit from any international or domestic support that is given by the public institutions and agencies as well as international institutions.

Appropriation Request Procedure

Article 24- The managing company to file a request for appropriation shall file its application to the General Directorate by filling in the parts that are under the scope of appropriation in Annual Distribution of Zone Investment Expenditures to be obtained from the General Directorate. The request for appropriation shall be made annually for the following investment year latest until the end of June that year. **The Ministry**

shall notify the State Planning Organization of appropriation requests together with the investment budget proposal of the Ministry.

Reviewing of appropriation request for acquisition of land

Article 25- In the case of the managing company requesting an appropriation for the acquisition of land other than expropriation, a land valuation commission shall be formed under the chairmanship of the more senior of the two officials to be appointed by the General Directorate and with the participation of the Provincial Director of Industry and Trade, Title Deed Director or Municipality Zoning Plan Director or the specialized officials to be assigned by them. The commission shall take its decisions with the same vote of at least three members and shall present the report with the necessary justifications for the valuation of the land to the General Directorate within seven days.

Evaluation of the request for appropriation

Article 26- The Ministry shall evaluate the requests for support for acquisition of land, infrastructure and construction of administrative building and in cases where it is deemed necessary, shall carry out investigations in the Zone.

Principles for the utilization of appropriation

Article 27- The appropriation allocated to the Ministry's budget;

- a) shall be utilized within the year it is allocated.
- b) cannot be used for purposes other than those stated in the Law.

SECTION 2

Principles on the Preparation of Plans and Designs if the appropriation request is deemed appropriate, Reviewing of Progress Payment Reports, Disbursement of Appropriation

Principles for Implementation Designs

Article 28- In the event that the appropriation request of the Managing Company to construct the infrastructure and administrative building is deemed appropriate and the appropriation is allocated to the budget of the Ministry, the Managing Company shall present at least 3 sets of documentation that includes approved implementation designs for the infrastructure and administrative buildings of the Zone and the list that shows the estimated price quotes for the construction based on the application year price scale to the general directorate in separate plastic box folders. At least one copy of the designs must be presented in black and white.

Architectural designs, concrete-steel designs, and installation designs must be placed in separate folders. All sections shall be numbered; one copy of the project list shall be fixed to the inner page of the folder while the other copy shall be attached to the descriptive report. Project name, project number, name, address; phone number of the project contractor on official letterhead shall be attached to on upper and back sides of the boxes.

The name of project contractor, responsible architect and engineers along with their chamber registration number, tax office name and tax ID number and respective signatures of all responsible persons shall be provided on the sections.

Designs shall be signed and sealed by the site manager or the technical responsible person of the project contractor company and presented to the General Directorate to receive their opinion.

Principles for the preparation of coordinated application plans

Article 29- In the 1/1000 scaled coordinated application plan of the Zone:

a) Road intersections, vantage points and polygon marks – provided their origins are presented, each and every coordinate, level figures, corner point of buildings and lots shall be indicated.

b) Dimensions of the plots, length and width of the buildings and their inter-distance, open working space, pavement and road widths, distances from road junction and turnpikes to the plot corners, the coordinates of the center of circular shaped plots and their radii, relation between the external roads and area boundary shall be presented.

c) Coordinates and level figures shall be shown as in the plan, and additionally in table format with numbers assigned to the points.

Principles for the Preparation of Architectural Designs

Article 30- Architectural designs shall be prepared according the Law on Construction Plan No 3194. Projects that are deemed unqualified in terms of size and information shall be returned.

Plans shall be submitted with approval from Directorates of Development and Construction, State Water Works Directorate, Directorate of Provincial Affairs and Regional Directorate of State Highways and with 10 meter maximum gridding, 1/1000 topographic plan, isotropic map with 1 meter spaced inclinations. Streams, flood beds and slopes and woody areas shall be noted in the isotropic plan. Topographic maps with no elevation figures and isotropic plans shall be returned.

Principles for the preparation of designs for administrative buildings

Article 31– The principles for the preparation of designs for administrative buildings are detailed below :

- a) Plans for administrative building
 - 1) A 1/50 scale of the basement, foundation and other floors of the building shall be drawn. In cases where the basement water level is high, a drainage system shall be added to the plans.
 - 2) All the measurements and level figures in the plan shall be presented similar to an implementation design and in a clear way that does not require any further calculation in measurement and application.
 - 3) Locality lists in every space shall be presented clearly with instance numbers and names.
 - 4) Floor plans that show the building totally shall be presented.
- b) Subsections and views
 - 1) Roof inclination and materials shall be selected according to specifications of the Zone and the regulations of the ministry of development and construction
 - 2) Front and lateral views of the building, longitudinal and parallel sections, cross sectional cuts of staircases and wet spaces shall be prepared.
 - 3) All level figures and measurements are given for all cross sections including ventilation spaces, chimneys, fringe shield wall and columns
 - 4) Views of the administrative building from 1750 scale cross sections and fronts shall be presented.
- c) Architectural details
 - 1) Roof system and point detail
 - 2) Wet space system detail,
 - 3) Front system detail
 - 4) Staircase and fire escape system detail
 - 5) Door system and point detail
 - 6) Window system and point detail with implementation designs shall be presented.
- d) Static-concrete Structure calculation and project foundations and documents

Before the Project Owner starts the implementation design;

- 1) An officially approved ground inspection report
- 2) 1/1000 static calculation types plan that will show the building type according to the longitudinal and transversal dilapidations and foundation levels.
- 3) Proposed plans for the foundation system, frame system and die plans shall be presented.

e) Calculation Report

The calculation report shall contain;

- 1) Static calculation building types plan, A4 sized die plan samples of every different type and cover, width and length cross sections samples, drawings indicating covers adjacent to the frames, names and numbers of the elements that binding points that appear in the calculation plans
- 2) The name, producer and version number of the software used in the calculation must be clearly presented.
- 3) All inputs made by a computer including output that including internal forces must be presented in a clear and understandable way and shall be traceable.
- 4) All irregularities of the building whose design is made must be inspected in detailed manner according to the regulations for constructions made in the disaster areas, if irregularities exist, they must be explained in detail.
- 5) Buildings with level differences within themselves greater than 2 meters must be separated with a dilatation towards that direction.
- 6) A clear reason for the choice of calculation must be presented with reference to the earthquake zone, building height and carrier system irregularities.
- 7) Material types must be presented in tables.
- 8) Security checks that must be made for conditions described under the Construction in the Disaster Zone Regulations.
- 9) Carrying force moments of the columns, frames and covers must be clearly presented in the output information.

f) Implementation Designs

1) Floor Die plans must be printed on the same section, scaled 1/50, with at least one cross section made in 2 directions and with notes and scales on cross sections.

2) Frames including length and width cross sections, dimensions and level figures of the elements must be presented, with axes detailed at 1/100 and elements presented at 1/50 on a separate section.

3) Axes and column sections must be given at 1/50 and 1/20 scales in column application plans, separate plans for separate floor must also be given with detail for each column-beam at each different union and with binder Zones shown according to the earthquake regulations.

4) Main die plan must be at 1/50 scale with cross sections in headings, material type and thickness given if fill-ins, gravel-sand below the foundation level, concrete or rubble concrete uptill the foundation level exist. Main details must be presented at 1/20 scales. Peripheral ties under the walls in the basement, concrete curtains and grade concrete curtains must be presented in the main sections with detail.

5) Stair case project must be prepared in 1/20 scale

6) Details for the curvature and convolutions of the hooks and binders that are specialized for earthquakes that are described in the regulation for buildings that will be constructed in disaster areas are given in column, beam and curtain detail sections.

7) Active ground acceleration coefficient used in the design, building precaution coefficient, local ground class and carrier system behavioral coefficient must be presented in all sections of the plan

8) Type of material used, ground safety tension and earthquake zone must be given in every section.

Principles for the preparation infrastructure designs

Article 32- Principles for the preparation infrastructure designs are detailed below:

a) Definition of infrastructure

Infrastructure investments within the scope of the Law and the regulation include;

1. Sewer
2. Rain Water Network,
3. Fire Hose Network,
4. Drainage
5. Clean and Dirty Water Network
6. Temporary waster storage area and biological and chemical waste water purification plant
7. Electricity
8. Road
9. Water
10. Natural gas
11. Heating and ventilation
12. communication infrastructure
13. Intra and extra Zone lightning,
14. Security and alarm systems.

b) Issues to be considered for the application construction plans in terms of infrastructure designs

In order to prevent uneconomic solutions in infrastructure projects;

1. Not to plan high shield walls and evacuation tunnels, drains and artistic structures that need high fill-ins and excavation.

2. Prevention placement of lots in flood areas and lower than average height places to increase the area and number of lots, and the formation of parks and green areas in such places

3. Designing roads with a maximum of %8 to %10 inclinations.

4. Planning of the lots such that there will not be much height difference in each one and too much excavation will not be required during the sizing of the lots and their placement with respect to the road.

5. Planning of the drainage system such that it will not require much upgrade to the network and would be able to discharge the rain water to the natural flood beds.

Project Responsibility of the Managing Companies

Article 33- Project Responsibility of the Managing Companies is described below:

a) Implementation designs prepared by the Managing Company or had prepared by other bodies on the request of the project owner according to the regulations of Law on Construction Plans No 3194, its regulations, land development plan, provisions of other laws, statutes and regulations related to the science, health and environment conditions and to the standards set by the TSI shall be presented to the General Directorate for approval. Special conditions and situations not covered in the specifications which arise during the implementation shall be subject to special instructions to be issued by the General Directorate.

b) If the Managing Company decides to make a change in the ongoing construction plan it has to apply to the General Directorate with a request outlining the reasons. In such cases;

- 1) If the change is in the whole of the project than restructuring of the architectural project is to be performed.
- 2) If the mentioned change precipitates changes in static calculations and projects, then those changes are to be made accordingly,
- 3) If the proposed change is to affect only a few floors or parts of a floor then only the plans of the affected floors, then only the plans concerning the modification of those parts are to be prepared.
- 4) It is mandatory to turn in a report describing the reasons for the changes for compulsory changes to the projects to the general directorate.

Reviewing of the projects

Article 34- Suitability of the implementation designs for the administrative buildings and infrastructure shall be evaluated by the technical staff assigned by the General Directorate and approved within a 30 day period. Non-approved project shall be returned with the reason of declination.

Reviewing of Work Progress Reports

Article 35- Reports prepared by the Construction firm according to the Technical Specifications of the Ministry of Public Works and Settlement shall be forwarded to the General Directorate following their approval by the managing company.

The work progress reports shall be reviewed on site by the personnel appointed by the related department of the General Directorate and review report shall be prepared. The costs of work that is not actually finalized shall be deducted from the total sum presented originally in the work progress reports.

Disbursement of appropriations

Article 36- Following the General Directorate's approval of the progress reports for payments related to infrastructure and administrative buildings or the report of the land valuation commission for payments related to land acquisition, the relevant accrual office shall issue an accrual certificate and disbursement order and refer them to the Budget Office of the Ministry and Central Directorate of Accountancy.

Section Three

Exemptions

Application of exceptions and tax reductions

Article 37 – Principles on the application of exemptions and tax reductions in the Zone shall be as follows:

- a) In order for the Managing Company to be exempt from all types of taxes, levies and charges during the enforcement of the law; the Managing Company shall apply to the Ministry of Finance following the announcement of its legal entity at the Trade Register Gazette by completing its establishment.
- b) In order for income that the taxpayers of the Zone acquire from the production activities based on software and R&D exclusively in this Zone to be exempted from personal and corporate income taxes until 31.12.2013, they shall apply to the Ministry of Finance. In their application, documentation proving the existence of taxpayers in the Zone and indicating the field of operations of the taxpayers which will be obtained from the managing company shall be attached for information purposes.
- c) To facilitate a full tax exemption of the researches, software engineers and R&D personnel related to this work for until 31.12.2013, the relevant entrepreneurs, establishments or institutions must supply the Ministry of Finance with a list approved by the Managing Company, of all the researchers, software engineers and R&D personnel they employ, with descriptions of their functions, attributes and duration of their employment at the R&D projects, on a monthly basis.
- d) For the VAT exemption of deliveries and services in the form of system management, data management, business applications, sectoral, internet, mobile and military command-control application software that the entrepreneurs operating within the Technology Development Zone produce exclusively in such Zones within the period when they are exempted from personal and corporate income tax, they shall apply to the Ministry of Finance.
- e) In Zones that run wastewater plants, exemptions about wastewater price shall be administered by associated Municipalities.
- f) KOSGEB supported entrepreneurs operating at Technology Development Centers located in the Zone may also benefit from the exemptions provided by the law.

Procedures regarding exemptions and tax reductions in the Zone shall be subject to the relevant legislation of the Ministry of Finance.

Section Four

Supervision of the Zone

Supervision Authority of the Ministry

Article 38 – Principles regarding the supervision authority of the Ministry:

- a) The Ministry supervises by examining updated activities and applications reports electronically submitted by the Managing Company; or when necessary, supervises the activities and applications of the Managing Company and the entrepreneurs by cooperating with the relevant institutions.
- b) The Ministry cautions the Managing Company and third persons if they are operating in the Zone in a way contrary to the purposes set forth in the Law and gives the company a specific time to be active appropriate to the required objective.
- c) At the end of this given time, if it is believed that the Managing Company would not be adequate to realize the specified target the Ministry can apply to the competent Court and demand to stop the company's activities or abrogate it. In case the Managing Company is abrogated, with the condition of legally guaranteed rights and responsibilities of the Managing Company, the Ministry nationalizes the real properties and the territory of the Zone and can give the management of the Zone to another company.
- d) During the supervision process the Managing Company and the entrepreneurs are liable to supply all information and documents to the supervision personnel.

Supervision of the exemptions and tax reductions

Article 39 – The Ministry of Finance shall execute the supervision of the managing companies, entrepreneurs, researchers, software developers and R&D personnel who will benefit from the exemptions provided by the Law and sponsor companies that will benefit from tax reductions.

Provisional Articles

Article 40 – The technoparks whose establishments have been approved by the Ministry before the effective date are METU Technopark and TUBITAK-Marmara Research Center Technopark. These technoparks shall be accepted as Zones as of 06.07.2001, the enforcement date of the Law and shall benefit from all supports and exemptions that the Law provides. These two Zones shall make all necessary adjustments in accordance with the Law and the provisions of this regulation within one year following the entry into force of this Regulation.

Section Five

Final Provisions

Enforcement

Article 41 – This regulation for which the opinions of the Ministry of Finance and the Turkish Court of Accounts have been obtained shall enter into force on its publication date.

Execution

Article 42 – The provisions of this regulation shall be executed by the Minister of Industry and Trade.

Annex

Principles for Technology Development Zone Feasibility Report Preparation

A) Information Regarding the Founding Committee

This section includes the;

- a) Name
- b) Address

- c) Field of Activity
- d) Telephone and Fax Numbers
- e) E-mail address

of each institution that form the Founding Committee and the name of the Zone that is to be established and the establishment protocol of the Founding Committee .

B) Information Regarding the Area for the Establishment of the Zone

a) General evaluation of the area

Information below about the area under evaluation is acquired from relevant governorship, provincial directorship, municipalities and other local institutions and stated in the report:

- 1) Geographical location, natural structure and land use situation
 - 2) Geological structure
 - 3) Social, cultural and technical infrastructure
 - 4) Urbanization and planning
 - 5) Economic structure
 - 6) Industrial existence
- b) Academic, technological and industrial potential of the zone
- 1) Number of personnel working in universities with graduate and doctorate degrees
 - 2) R&D and software institutions, fields of activities and the number of research personnel
 - 3) Structuring such as technology development centers, incubators and technoparks
 - 4) Industrial establishments with R&D and software departments and the number of their research personnel, (public/private)
 - 5) Percent distribution of the industrial establishments (public/private) into sectors (according to the sources from State Institute of Statistics)
 - 6) Distribution of industrial establishments with foreign partnerships into sectors (according to the sources from State Institute of Statistics)
 - 7) Other,

where the Zone is to be established.

C) Information about the R&D and software engineering work of institutions in the Founding Committee

- a) For all universities, high technology institutes or public R&D center or institutes;
- 1) Distribution of the employed teaching staff with respect to titles
 - 2) The number of graduate studies it executes and their distribution with respect to departments (last three years)
 - 3) The number of employed R&D personnel and their distribution with respect to specializations
 - 4) Ongoing and completed basic and applied R&D projects
 - 5) Total R&D budget and its ratio within the whole budget
 - 6) The number of projects carried out in cooperation with the industry and/or on order, their subjects and their total budget
 - 7) Current collaboration relationships such as partnerships and collaboration protocols with institutions active in the province
 - 8) Its relationship to structuring such as technology development centers, incubators and technoparks in the province
 - 9) Its relationship to structuring such as technoparks that are operated abroad and the characteristics of ongoing studies
 - 10) Short information on continuing projects and projects completed in the past three years
- b) For other institutions;
- 1) Monetary and in kind contributions towards R&D and Regional development studies conducted in the province
 - 2) Current relationships such as partnerships and collaboration protocols with institutions active in the province
 - 3) Numbers, subjects and total budgets of joint national and international projects that have been run or completed with universities and/or R&D institutions in the past three years and their commercial outputs if available,
 - 4) Number of R&D personnel (R&D structuring) and their distribution with respect to specializations.
 - 5) Total R&D budget (last 3 years and projected)
 - 6) Number of ongoing R&D projects and their subjects (last 3 years)
 - 7) Its relationship to structuring such as technology development centers, incubators and technoparks in the province

- 8) Its relationship to structuring such as technoparks that are operated abroad and short information about these projects

D) Information about selection of a Zone location

- a) Location of Zone's territory and its total area (m²)
- b) Acquisition and usage methods about ownership/usage rights for the land of the Zone
- c) Proximity of land of the Zone to universities, high technology institute or public R&D centers or institutes and local, national and international transportation arteries
- d) Characteristics of the Zone's territory for being a potential attraction center.

E) Information regarding the Managing Company to be founded

Managing Company's;

- a) Partners and estimated capital structure
- b) Anticipated employment and its characteristics
- c) Fixed investment spending for establishing the Zone
 - 1) Preliminary studies, project and engineering services
 - 2) Land price (acquisition/nationalization/assignment)
 - 3) Land and site planning, preparation structures
 - 4) Infrastructure spending
 - 5) Superstructure spending (administration building, social facilities, entrepreneur buildings, etc should be stated as different items)
 - 6) Vehicles (automobile and transport, fire, cleaning etc vehicles)
 - 7) General expenses
 - 8) Unexpected expenses
- d) Regional management capital requirement
 - 1) Worker and personnel expenses (monthly)
 - 2) Heating and air conditioning expenses (monthly)
 - 3) Vehicle operation and maintenance expenses (monthly)
 - 4) Operation and maintenance expenses of the facilities (monthly)
 - 5) If provided, financial aid for the entrepreneurs (yearly average)
- e) Total predicted investment amount for setting up the Zone (sum of c and d)
- f) Financing plan

Predicted amount of total investment:billion TL (100%)

 - 1) Capital :.....billion TL (.....%)
 - 2) Loans :.....billion TL (.....%)
 - Internal loans :.....billion TL (.....%)
 - External loans :.....billion TL (.....%)
 - 3) Other sources :.....billion TL (.....%)
 - 4) Subsidies :.....billion TL (.....%)
- g) Predicted Annual Income
 - 1) Rent from entrepreneurs :.....billion TL
 - 2) Consulting income :.....billion TL
 - 3) Other incomes (please explain) :.....billion TL

F) Information about the management of the Zone and entrepreneurs

- a) Information about the management of the Zone
 - 1) Technological fields that the Zone will be active in and predicted outputs
 - 2) Services planned to be provided to the institutions and the entrepreneurs in the Zone
 - 3) Method of allocation of building and/or land to institutions and entrepreneurs in the Zone (rent, usage right)
 - 4) If structuring such as technology centers, education centers, incubators are planned to be set up in the Zone, methods and procedures about the realization of this structuring
 - 5) Appealing aspects of the Zone
 - 6) Total predicted R&D personnel employment to be created in the Zone
 - 7) R&D related institutions and other support units in the Zone
 - 8) Suggested methods and anticipated measurable outputs for the commercialization of R&D studies and new technologies
- b) Information about the entrepreneurs
 - 1) Total number of entrepreneurs planned to be in the Zone and predicted employment that will be created by them and its characteristics
 - 2) Percent distribution of the entrepreneurs in the Zone as multinational, large, small and medium sized and newly founded business

G) Explain the contribution of the Zone to the economic, technological, social and cultural development of the country and area.

- H) Explain the probable contribution of the institutions that will be cooperating in the establishment of the Zone, to the formation and success of the Zone.**
- I) Explain the projects to be undertaken for the sensitivity of the Zone to natural, cultural and historical values of the area.**
- J) Evaluate the request for the establishment of the Zone with respect to the area's industrial potential, need for R&D and contributions expected from the Zone.**
- K) Consider the possibility of producing and developing new and advanced technology in the Zone.**