

**Agreed Minutes of
The 5th Session of the Joint Trade Committee
Between
The Republic of Turkey
And
The Islamic Republic of Iran**

The 5th Session of the Joint Trade Committee between The Republic of Turkey and The Islamic Republic of Iran (hereinafter referred as the JTC) in accordance with the Article VII of the "Trade Agreement between The Republic of Turkey and the Islamic Republic of Iran" signed on December 21, 1996 in Ankara was held in Tehran on January 27-29, 2014 (corresponding to 7-9 Bahman 1392).

The Turkish delegation was headed by H.E. Nihat ZEYBEKCI, Minister of Economy, and the Iranian Side was headed by H.E. Muhammed Reza NEMATZADEH, Minister of Industry, Mine and Trade. The members of two delegations are listed in Annex I and II respectively.

The 5th Session of the JTC was held in an atmosphere prevailed by full understanding and friendship and Both Sides discussed their proposals in the fields of Trade, Investment, Customs, Standards and Transport.

After exchanging views and negotiations on different issues of cooperation, Both Sides agreed on the following.

1. Bilateral Trade and Economic Relations

Both Sides reviewed their bilateral economic and commercial relations and stressed the significance of stable and long-term bilateral trade, and agreed to exert every possible effort to increase and diversify their trade relations on a mutually beneficial basis to achieve the goal of 30 billion USD volume of trade by the end of 2015, through regular bilateral dialogue at the possible highest level and more frequent contacts between the respective business communities.

In this context, Both Sides emphasized that the visit of H.E. Recep Tayyip ERDOĞAN, the Prime Minister of the Republic of Turkey, to I.R. Iran on January 28-29, 2014 will give an impetus on developing bilateral trade and economic relations between two countries.

Considering the positive effect of the Preferential Trade Agreement on boosting the trade and investment between two countries, Both Sides expressed their intention to finalize the negotiations as soon as possible.

Both Sides expressed the importance of removing all non-tariff barriers and in that regard the Turkish Side underlined that it is necessary to remove the import bans implemented by the Iranian Side to maximize the mutual benefit of the Parties from the possible Preferential Trade Agreement between Turkey and I.R. Iran. The Iranian Side agreed to consider the matter and inform the Turkish Side through diplomatic channels.

Both Sides emphasized the importance of holding international fairs, exchanging delegations, participating in counterparts' trade exhibitions and agreed to encourage their institutions and companies to participate in trade organizations held in each country.

In this regard, Both Sides agreed to exchange the calendar of their international exhibitions through The Union of Chambers and Commodity Exchanges of Turkey (TOBB) and The Iran International Exhibition Company.

Referring to the MOU of the 23rd Session of the Joint Economic Commission held in Ankara on 18-19 January, 2012, Both Sides underlined the necessity of fruitful cooperation to reach amicable solutions to the problems of companies encountered in the other country and agreed to exchange pending issues of their companies until the mid of February 2014. In this regard, Both Sides decided to assign a coordinator from each side in order to exchange of the list of pending issues and follow up resolution of those issues timely and agreed to convey the names and institutions of the coordinators until February 10, 2014 via diplomatic channels.

Both Sides also agreed to encourage TOBB and Iran Chamber of Commerce, Industries, Mines and Agriculture (ICCIMA) to enhance institutional cooperation including providing resolutions to commercial problems between the companies of two countries, following up

speedy implementation of the preferential agreements and establishing a road map in order to enhance mutual cooperation and economic goals.

Both Sides underlined that the Turkish-Iranian Business Council should assume more active role in cooperation of the private sectors of two countries. In this context, Both Sides recommended the Business Council to hold a meeting in order to prepare a road map to level their bilateral relations which will also include ways and means of improving the efficiency of the Business Council.

Both Sides agreed to enforce appropriate measures to facilitate trade activities between I.R. Iran and Turkey.

2- Trade Facilitation

Both Sides, considering the goal of reaching 10 billion USD volume of trade by the end of 2015, agreed to remove obstacles in bilateral trade and enforce appropriate measures to facilitate trade activities between two countries as follows:

- a) Import, export and transit requirements and procedures shall be based on international trade and customs instruments and standards which Both Sides have accepted, except when they would be an inappropriate or ineffective means for the fulfillment of the legitimate objectives pursued.
- b) Both Sides shall provide clearance of goods with a minimum of documentation; and procedures shall be transparent and predictable for importers, exporters and other interested parties and import, export and transit requirements and procedures shall be no more administratively burdensome.
- c) Import, export and transit requirement and procedures shall be no more administratively burdensome or trade restrictive than necessary to identify the goods, and ensure that relevant requirements are met.

3 Border Trade

Both Sides reviewed the implementation of Border Trade Regulations between two countries and underlined the importance of Border Trade in improving the trade between the border provinces.

Referring to the Agreed Minutes of "The Border Trade Joint Committee between the Republic of Turkey and the Islamic Republic of Iran" signed on July 27, 2011 in Urumieh and "Meeting of Economic Cooperation between Border Provinces of the Republic of Turkey and the Islamic Republic of Iran" signed on November 18, 2012 in Agri, the Turkish Side requested from the Iranian Side to submit its current legislation on border trade. Both Sides agreed to exchange their questions about the respective legislations on border trade and their implementations and, also respond to each other before the 8th Session of Border Trade Joint Committee.

Both Sides expressed their satisfaction with the efforts of Border Trade Joint Committee and decided to hold the 8th Session of Border Trade Joint Committee in three months after the Iranian Side submits its border trade regulations to the Turkish Side via diplomatic channels.

Both Sides emphasized the motivating role of Border Trade Centers for improving the regional economic cooperation, stated that the infrastructure of the current Border Trade Centers need to be improved in order to realize their full capacity and agreed to share their proposals on Border Trade Centers such as customs and transit issues, before the 8th Session of Border Trade Joint Committee.

4- The 24th Session of the Joint Economic Commission

Both Sides decided to hold the 24th Session of Joint Economic Commission in the first half of 2014 in Tehran and agreed that the Iranian Side shall convey its date proposals to the Turkish Side via diplomatic channels at the earliest convenience.



5. Investment

Both Sides agreed to encourage bilateral investments in their respective countries and expedite their related work towards increasing accessibility to each other's market.

Both Sides emphasized the importance of free trade zones in enhancing economic and trade cooperation of their private sectors and agreed to encourage their investors to invest in the free trade zones of the two countries.

Taking into account the facilities available for investors in Maku Free Trade Zone, the Iranian Side invited Turkish investors to take advantage of the facilities provided in the vast area of 5000sq. km. in Maku Free Trade Zone (FTZ), where they could benefit from tax exemptions and duty free trade. The Iranian Side informed that imports to the mainland from the free trade zone would enjoy duty free status for the extent of the value added created in the free trade zone. The Iranian Side added that Maku FTZ welcomes investment in energy intensive industries, petrochemicals and power plant as well as storage capacity for transit goods.

6- Standardization

The Turkish Side expressed that the internal approval procedures of "The Memorandum of Understanding on the Establishment of the Consultation and Cooperation Mechanism on Technical Regulations, Standardization, Metrology and Conformity Assessment between The Republic of Turkey and The Islamic Republic of Iran" was finalized in 2011 and requested from the Iranian Side to accelerate the internal approval process in Iran.

Both Sides stressed that mutual recognition of national standards will facilitate the technical requirements of bilateral trade and decided to accelerate the negotiations of the Protocol of Technical Cooperation according to "The Cooperation Protocol between The Turkish Standards Institution and The Institute of Standards and Industrial Research of Iran" signed on August 29, 1986.

Both Sides expressed that the studies under The Standards and Metrology Institute for the Islamic Countries (SMIIC) contribute to advance cooperation in the fields of metrology, laboratory testing and standardization activities between two countries. In this context, Both

Sides decided to improve their collaboration and participate to the Halal products certification studies at the SMIC.

Considering the importance of halal issue, and other related subjects including standards, halal certification and accreditation, the Iranian Side (Islamic Chamber Research and Information Center-ICRIC) expressed its readiness to cooperate with relevant Turkish organizations.

7- Customs

Both Sides emphasized that improving the technical infrastructures of the border gates and establishing the joint use of land border gates between Turkey and I.R. Iran will enable to provide better conditions in both customs and transportation services between two countries.

The Turkish Side requested to be informed about the Iranian Side's considerations for the projects previously submitted to the Iranian Side by GTI Co.Inc. for renovation of border gates of Iran at the earliest convenience.

Both Sides reiterated of the necessity of facilitating border crossings to boost trade volume between two countries and agreed to solve existing border crossing problems in Bazargan-Gurbulak Border Gate urgently. In this regard, Both Sides decided to take necessary measures to increase border crossing capacity and inform each other of results.

In order to facilitate the exports of Iran carpets to Turkey, the Iranian Side requested from the Turkish Side to employ experts in Istanbul Airport Customs Office and the Turkish Side accepted to consider this matter and inform the Iranian Side.

8- Transportation

Referring to "The Protocol of Joint Land Transportation Committee" signed in November 27, 2013 in Ankara, Both Sides expressed that technical meetings on harmonization of statistics and cooperation in land transportation shall contribute to the development of economic relations of two countries. In this regard, Both Sides agreed to hold the above mentioned meetings in February 2014.

Both Sides decided to keep on their efforts for taking the necessary measures to facilitate transit transportation and hold a meeting with participation of the representatives of relevant institutions from Turkey, Iran and Turkmenistan in order to discuss the problems, especially the problem of Turkish trucks at the border gates between I.R. Iran and Turkmenistan where the Turkish Side stressed to find a solution to the problem of long waiting of Turkish trucks at the TIR parking areas. Both Sides agreed to hold that meeting during February 2014 with participation of representatives of relevant institutions from Turkey, Iran and Turkmenistan and The Turkish Side proposed to convey the date to the Turkmen Side to get their consent. The Turkish Side expressed that Turkey's invitation to hold this meeting was sent to Turkmen Side via diplomatic channels and the Iranian Side expressed its support to hold this meeting at the earliest convenience.

9- Banking

Both Sides expressed their satisfaction for signing "The Protocol of Facilitating Trade Payments between The Republic of Turkey and The Islamic Republic of Iran" during the 5th Session of JTC.

The Iranian Side expressed the willingness of Export Guarantee Fund of Iran (EGFI) to expand its cooperation with Turk Eximbank in order to support trade between two countries, in the framework of the MoU signed between the above mentioned institutions in 2001.

10- The Follow-up Committee

Both Sides agreed to constitute a Follow up Committee which could also meet via teleconference or e-mails to check the implementation of the issues agreed upon in JTC meetings. The Committee might meet periodically, preferably every three months at the General Director level from the relevant institutions to follow up and report the recent developments.

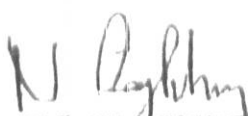
11- Date and Venue of Next Meeting

Both Sides agreed to hold the 6th Meeting of the JTC in The Republic of Turkey in 2015, date to be decided through diplomatic channels.

Both Sides decided to hold an Investment Seminar in order to acknowledge the investors about the opportunities of the markets and the governmental incentives during the 6th Session of the JTC and the Iranian Side expressed its readiness to organize a trade delegation to Turkey in parallel with the 6th Session of the JTC

Done and signed in Tehran, The Islamic Republic of Iran on January 29, 2014 (corresponding to 9 Bahaman 1392) in two original copies in English, both being equally authentic.

For The Government of The Republic
of Turkey


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