

SHIP OR YACHT REGISTRATION WITH THE TURKISH SHIP REGISTRY

There are three different registration types of ships, marine vessels and inland vessels registered separately in Turkey. These are (i) Turkish International Ship Registry (“TISR”), (ii) National Ship Registry (“NSR”) and Port of Registry.

A. TURKISH INTERNATIONAL SHIP REGISTRY (TISR)

1. Definition of Ship and Yacht

According to the Turkish International Ship Registry Law (“TISRL”), ships are identified as “all kinds of transport ships, passenger ships and offshore fishing ships which are used as a ship for commercial purposes”; yachts “marine vessels which are described as “Commercial Yacht” in certificates of registry, registered within the scope of tourism company inventory and have no qualification of a passenger and transport ship, whose number of yachter is not more than thirty six, used for voyage and sport and was built as a yacht type. As it understood from abovementioned definitions, floating facilities and vehicles are not included in a ship description of TISRL. Therefore, it is not possible to register all kinds of floating facilities and vehicles to TISR. Moreover, it is legally not possible to register yachts having no qualification of commercial yacht and used for individual purposes to such register of ship.

2. Registration with TISR

Turkish or foreign real persons living in Turkey and ships and yachts belonging to the companies established in accordance with Turkish Law in Turkey can be registered to TISR. Ships and yachts supplied through financial leasing from abroad are registered to a special list of TISR. The conditions required to be fulfilled by ships and yachts for registration to TISR are specified in article 4 of TISRL. According to this article, (i) ships and yachts which have already been registered to the National Ship Registry in effective date of the Law, (ii) was built inland and abroad (such ships and yachts are required to fulfill the abovementioned conditions), (iii) are over 3.000 DWT (this is 300 gross tons for passenger ships and special vessels built for a special usage) which will be imported can be registered to TISR. According to article 7 of TISRL, ships and yachts registered to TISR can fly Turkish Flag. Ships and yachts

which can fly Turkish Flag in accordance with the Law benefit from the rights described in National Legislations. However, ships and yachts which have no right to fly Turkish Flag according to article 940 of Turkish Commercial Code ("TCC") numbered 6102 cannot benefit from the provisions of Cabotage Law numbered 815. In order to benefit from the rights stipulated under Cabotage Law, the ships registered to TISRL must fulfill the conditions specified under article 940.

B. NATIONAL SHIP REGISTRY

Commercial ships which have the right to fly Turkish Flag according to article 940 of TCC and ships described in article 935, clause 2, sub-clause a and c of TCC shall be registered to the National Ship Registry. According to article 957, the owner of each commercial ship with eighteen gross tons and over eighteen gross tons will be obliged to register the ship.

According to article 940 of TCC, every Turkish ship shall fly Turkish Flag. This article regulates that a ship owned only by a Turkish citizen can be deemed as a Turkish ship. Ships belonging to Turkish commercial companies will be deemed Turkish ships if; (i) the majority of the authorized directors of the company consists of Turkish citizens, (ii) the majority of vote is acquired by Turkish company members as per the articles of association of the company and (iii) joint stock companies and limited partnerships limited by shares, the majority of the shares is registered in the name of the holder and the share transfer to a foreign person depends on the permission of board of directors. Ships fulfilled the conditions under article 940 and registered to TISR can benefit from the rights stipulated under Cabotage Law. In contrary, they will not be able to benefit.

C. PORT OF REGISTRY

Lastly, in accordance with a legislation package accepted in 2009, a registry translated under the name of "Port of Registry" has been established. This registry has primarily been established for the registrations of excursion boats, yachts, other marine vessels and also ships and vessels used for inland navigation.

* The views expressed in this memo are those of the authors and aimed only at providing brief information on the relevant subject matter. This memo does not constitute a legal document or a legal opinion or legal advice. Please do not hesitate to contact our offices should you require more detailed information on any of the issues mentioned in this memo.