

LAW REPORT ON MEMORANDUM RE. LAW NO. 5201 AND LAW NO 2502

This Memorandum analyzes *Law on Audit of Industrial Enterprises Producing War Tools and Materials as well as Weapons, Munitions, and Explosive Materials*¹(“**Law No. 5201**”) and *Defense Industrial Security Law*²(“**Law No. 5202**”), and relevant secondary legislation, as well as related multilateral regimes in detail.

¹published on the Official Gazette dated 03.07.2004, numbered 25511

²published on the Official Gazette dated 03.07.2004, numbered 25511

Table of Contents

I. OVERVIEW.....	4
II. LAW NO. 5201 AND RELEVANT REGULATION	4
1. Establishment License (Certificate of Incorporation)	4
2. Production License	5
3. Selling License	6
4. Export Transactions.....	7
5. Sale in Domestic Market	8
6. Import	8
7. End User Certificate	8
8. Obligations of Companies	8
9. Criminal Sanctions	9
III. LAW NO. 5202 AND RELEVANT REGULATION.....	9
1. Degrees of Confidentiality	10
2. Private Defense Industrial Security Regulation	10
3. Personal Security Clearance	11
4. Facility Security Clearance	12
5. Physical Security Measures	14
6. Sale and Transfer.....	16
7. Visits.....	16
8. Audits.....	17
9. Criminal Sanctions	17
IV. CONTROLLED LIST (2020).....	18
a. Barreled Weapons	18
b. Tactical Vehicles	19
c. Military Explosives and Pyrotechnic Material	19
ç. Bazooka, Rocket, Missiles, and Torpedoes	20
d. Chemical, Biological, Radiologic, and Nuclear Weapons	20
e. Military Aircrafts and Systems	20
f. Surface Combatant and Underwater Combatant.....	21

g. Military Command and Control, Correspondence, and Information Systems.....	21
ğ. Space Systems for Military Purposes	21
h. Military Exploration, Surveillance, and Detection Censors, Geographical Position Determination and Navigation Systems	22
ı. Other Military Materials and Devices.....	22
V. WASSENAAR ARRANGEMENT MUNITION LIST	23

I. OVERVIEW

Defense industry is under control of Ministry of Defense (“**MoD**”) in Turkey; hence companies (the “**Company**”) having activities associated with defense industry are strictly monitored by MoD and other governmental authorities from time to time, while realizing their scope of activities, and such Companies are subject to Law No. 5201 and Law No. 5202, as well as the secondary legislation of the said two laws and related multilateral regimes

II. LAW NO. 5201 AND RELEVANT REGULATION

The purpose of Law No. 5201 and relevant regulation (“**Regulation No. 2007/11994**”) is to regulate principles and procedures regarding establishment, operation, obligations, and audit of industrial Companies producing war tools and materials, weapons, munitions, as well as their replacement parts, and explosive materials (“**Materials**”).

In Law No. 5201, activities of Companies are generally monitored and audited by MoD National Security Authority (the “**Authority**”).

1. Establishment License (Certificate of Incorporation)

Incorporation of Companies is subject to permission of the Authority.

Companies present their offers regarding the location of establishment, location of storehouse, and location of sale area to the Authority. As the Authority receives the said offer from Companies, it requests opinion of Presidency of General Staff, and it is investigated whether such location is within the scope of military forbidden zones³, or strategically significant zones with regard to national defense. If such location is within the scope of military forbidden zones, or strategically significant zones with regard to national defense, the application is rejected. Otherwise, Authority also receives opinions of Ministry of Internal Affairs and Ministry of Environment and Urbanization. Provided that mentioned opinions are positive, approval of the Minister of Authority is obtained, consequently the Certificate of Incorporation is granted to the Company.

In the case capital owners or shareholders are changed, or the Company gets into a partnership with another company, or trade name of the Company is changed, the Establishment License may be rearranged.

In the following cases, Establishment License shall be canceled:

- Establishment is liquidated or go bankrupt,

³regulated under Law No. 2565

- The location of the facility is changed,
- Production facility is built but not made prepared for requirements of Facility Security Clearance within 18 months from obtaining the Establishment License.

2. Production License

Companies are obliged to obtain Production License from the Authority in order to produce Materials within the scope of *Controlled List*⁴. Controlled List is issued by MoD in each January, and it contains Materials that are subject to control by MoD.

The Authority receives the opinion of Ministry of Industry and Trade regarding issuance of Production License. If such opinion is positive, production facility is visited and audited by Audit Committee. Please note that the facility must also have conditions required for Facility Security Clearance in order to be granted a Production License.

In the facility visit, audits regarding below mentioned matters are done generally:

- Investigation of machines in equipment and machine park, that are used in production lines regarding production of Materials, as well as indicated in the capacity report,
- Whether the production is made with license or research and development,
- Whether critical sub-systems are existing in the facility during the production,
- Determination of local content rate in the production,
- Monitoring of production flow diagram, or control of electronic products or software which has been produced in electronic environment.

After the visit, an audit report is prepared by the Audit Committee, but the final decision regarding issuance of Production License is rendered by the Minister of MoD. Provided that the Minister renders a positive decision, the Company may obtain the Production License upon paying the registration fee.

Besides, a Company that has been applied for Production License within the scope of weapon production in line with Controlled List, may also apply for prototype production request. In such a case, it must state the reason for prototype production, type of weapons, quantities, stock numbers, etc. must be indicated in the application.

In the case trade name of the Company is changed, the Production License may be rearranged.

Facilities having Production License are subject to audit once a year (or when it is deemed necessary by the Authority) informed or uninformed.

If the Company wishes to produce another type of Material, it must apply to the Authority for renewal of its Production License.

⁴to be explained below

On the other hand, for the assistive service production that is not related to production of Materials, such as transportation of materials, insurance, etc., there is no need to obtain Production License.

Besides, please keep in mind that, in order to apply for Production License;

- Facility Security License must be already taken or in the process of obtaining simultaneously with the application for Production License.
- Capacity Report that is valid by the application date must be obtained.
- Industry Registry Certificate taken from Ministry of Industry and Trade must be obtained.

In the following cases, Production License shall be canceled:

- undesirable circumstances for the well-being of national security, public order, general health,
- Transfer of Materials or technology of such Materials to other countries, other real persons, or other legal entities without permission is detected,
- Liquidation, bankruptcy of the Company,
- Change of owner of the Company,
- In the case executers of the Company are changed and the results of security investment and archive research is negative,
- the address or location of the facility changes,
- Strike or lockout occurs in the facility which affects the production,
- Partnership or status change in the association with the parent company, if any,
- In the audit by the Authority, any matter is determined that is not in compliance with the undertaking of the Company,
- Marking criteria indicated in the Agreement on Fight against Transnational Organized Crimes Firearm Protocol is not fulfilled

3. Selling License

Companies shall apply for obtaining Selling License to the Authority in order to sell Materials, and Authority obtains opinions from Presidency of General Staff and Ministry of Internal Affairs.

Permitted Materials can be sold in the facility having Production License, in the first place. Other than such facilities, Companies are entitled to sell Materials upon permission of the Authority. Sales in both places can be conducted upon the Selling License is issued by the Authority.

Please note that, for each sale area, separate Selling License must be issued.

Materials can be sold in the areas of the facilities having Production License, as long as necessary security measures are taken, provided that:

- a special area for sale is determined,

- entrance card is given to the customers,
- closed circuit camera system and companionship system are active,
- Entrance and exit is controlled by security.

Materials can be sold in in the areas not having Production License, provided that:

- they are deemed suitable by the Authority, and Ministry of Internal Affairs,
- managers that are responsible for administration of sale area and staff of sale and deliver, do not have any condition preventing them having gun license, and have Personal Security License,
- safety of internal and external areas is maintained,
- closed circuit camera system is active, as well as the sale area is located in a safe residential district in which documents regarding sale are kept in safe deposits.

Besides, sale of weapons that necessitate gun license under Law No. 6136, must be informed to the civilian authorities in every 15 days.

Companies are obliged to inform the Authority in the following January, regarding former year's sales and customer's identities.

4. Export Transactions

Materials to be exported are subject to the permission of the Authority, regardless of the purpose of export. For instance, if export is made for even testing, demonstration, briefing, analyze, exhibition, etc. purposes, permission of the Authority is required.

In order to obtain Export License, the Company applies to the Authority with below mentioned information:

- The country to which the Material shall be exported,
- Information regarding the customer requesting the Material,
- Agreement signed with the customer to which the export shall be implemented,
- An undertaking in which the customer undertakes not to use the Materials for unsuitable purposes,
- End User Certificate signed and sealed by corresponding authority with the Authority of the customer's country.

The Authority analyzes the application and informs the Company within at latest 1month. If the application is approved, the Company is granted Export License.

Also, please note that the Company is obliged to inform the Authority regarding the export information, in every 3 months.

Any changes implemented in the elements identified in the Export License of the Materials to be exported by the Company, must be notified to the Authority within 1 month.

If it is seemed necessary, the export that has been approved may be canceled by Council of Minister's decision. In such a case, loss and damage of the Company is reimbursed by Treasury.

If any good is initiated to be exported without getting permission from MoD, due to its not included on the Controlled List, or any Material is initiated to be exported with permission from MoD, and the delivery of such goods or Materials to customers is obstructed due to subsequent circumstances, the loss and damage of Companies are recovered by Treasury.

5. Sale in Domestic Market

Sale in domestic market is also subject to the permission of the Authority.

6. Import

Provided that a Company wishes to import Materials on behalf of MoD, it applies to the Authority and may be granted Import License. Other than such cases, only the Companies having Facility Security Clearance and Production License may be granted Import Licence, by the Authority.

Upon the importation, Company is obliged to submit a copy of the customs declaration (certificated by the relevant customs directorate), and in the case imported Material is munition, a copy of disbursement report (in the usage stage) to the Authority.

Also, please note that the Company is obliged to inform the Authority regarding the import information, in every 3 months.

If import is made for testing, demonstration, briefing, analyze, exhibition, etc. purposes, Temporary Import License may be granted to the Company.

7. End User Certificate

Companies having Production License may demand an end User Certificate. In such a case, the contract regarding the import and brief information, as well as a form (included in the annex of Regulation No. 2007/11994) are submitted to the Authority. If it is seemed appropriate, the Authority approves the End User Certificate.

Delivery record to be obtained by the end user customer must be submitted to the Authority within at latest one month.

8. Obligations of Companies

Companies are obliged to inform MoD;

- regarding their founders, capital, shareholders, board members and audit members, identities of persons that are authorised to represent and bind the Company, types and annual quantities of Materials to be produced, number of personnels, as well as if any amendments are made herein, within one month from the amendment,
- in January of each year, regarding Materials to be produced and/or have been produced, in stocks, to be produced in their production facilities within their responsibilities and supervision, or hand made weapons and munition and replacement parts of herein, to have third parties produced,
- regarding type and quantity of purchase orders and identities of the customers, within one month.
- regarding prototype or production orders, identities of the customers, within 1 month from receiving the order

Upon the notifications hereby, the Ministry shall declare its decision regarding aforementioned purchase orders (excluding productions for civil purposes) within latest 1 month, after considering comments of Presidency of General Staff, Foreign Ministry and other ministries if required. Provided that such decision is not declared in time, request of purchase order herein is deemed to be approved.

Also, please note that MoD is entitled to inspect the Companies minimum once a year and in other cases deemed necessary, with or without notice.

9. Criminal Sanctions

Provided that permission of MoD is not obtained in establishment, location of establishment, location of storehouse, and location of sale area, Materials to be presented to domestic market by producing or distributor companies; responsible persons shall be sentenced to imprisonment from two months to one year as well as a fine not under 4.000TRY. Besides, MoD may request shut down of the facility, prohibition of sale and transfer of all and any kinds of materials, from authorized court. The court shall render its decision within 15 days.

Provided that obligations of Establishments are not fulfilled, responsible persons shall be sentenced to imprisonment from one month to six months as well as a fine not under 2.000 TRY.

Provided that Establishments do not comply with principles regarding exportation, responsible persons shall be sentenced to imprisonment from one year to five years as well as a fine not under 8.000TRY.

III. LAW NO. 5202 AND RELEVANT REGULATION

The purpose of Law No. 5202 and relevant regulation is to ensure the security of all and any kinds of classified (*gizlilikdereceli*) information, documentation, projects, materials, or services, and related

areas; belonging to real persons and legal entities as well as persons conducting business related thereto, whom realize activities of research and development, production, montage in the fields of defense industry, technology and equipment; as well as to ensure the security of all and any kinds of classified information, documentary, projects, materials, or services, and related areas indicated in the agreements executed within the scope of defense industry, or to be supplied by means of direct purchase, participation, incentive, and investment in joint project programs.

1. Degrees of Confidentiality

In Law No. 5202 and relevant regulation, “classified information, documentation and materials” refers to all and any kinds of records, oral and written communication medium, messages, documents, weapons, munitions, materials and equipment, and their parts, including cryptographic and atomic information and material, as well as hardware and software of such; having confidential content.

“Classified project” refers to the whole work containing all and any kinds of war tools, materials, equipment having defense subsistence and containing confidential information, as well as purchase and sale of important and critical sub-systems and parts of such; and research and development by means of all any types of production activities, service and infrastructure facility and activities in relation thereto.

Classified information, documentation and materials that are inconvenient to disclose when national security and country benefits are considered, are graded according to their security classification namely as “Top Secret”, “Secret”, “Restricted”, and “Restricted for Service”.

Security transactions of business and projects concerning NATO are executed by North Atlantic Treaty Central Assembly Directorate, in coordination with MoD, within the scope of principals and procedures of NATO security. Such confidentiality levels are as “Cosmic Top Secret”, “NATO Secret”, “NATO confidential”, and “NATO Restricted”.

The degree of any document must be stated in each page of the document. Provided that the confidentiality degree is higher than “Restricted for Service”, each copies of the document shall have separate security numbers. For classified materials, the degree of the material is marked on the package. Such information, documents and materials as well as projects can only be accessed by authorized persons having a relevant Personal Security Clearance, and/or Companies having Facility Security Clearance, as well as such information, documents and materials and projects shall be kept in the facilities having Facility Security Clearance.

2. Private Defense Industrial Security Regulation

Companies having activities in the scope of defense industry are obliged to prepare a *Private Defense Industrial Security Regulation* for their facilities, and such regulation is subject to approval of MoD.

Once MoD approves the said regulation, Companies are entitled to execute the mentioned regulation in their facilities.

3. Personal Security Clearance

Personal Security Clearance is a certificate to be obtained by persons in connection with defense industry matters that require to access to the classified information, documents, projects and materials.

Company is obliged to obtain criminal record of persons having Personal Security Clearance, in every 6 months, and provided that such person is subject to legal proceeding or sentenced or any problem occurs, this case shall be informed to Authority for its comment, and for this period, his access to the classified information, document, and materials shall be avoided.

For joint stock companies, at least board members, general managers, vice managers, security coordinator, as well as personnel whom is possible to access to classified information, documents, materials are obliged to obtain Personal Security Clearance. Also, shareholders that are authorized to access to classified information, documents, and materials by a board resolution, must also apply for Personal Security Clearance. Applicants must state the degree of the Personal Security Clearance that they are requesting.

Security investigation and archive research are conducted for the applicants, and Personal Security Clearance issued is valid for at most 5 years. 6 months prior to the expiry date, renewal can be requested.

Personal Security Clearance is kept in the Controlled Room of the facility, and is given to the owner for only a definite period, by the security coordinator of the Company.

In the case of following events, Personal Security Clearance shall be rendered invalid:

- Personal Security Clearance is lost and this matter is announced in one of the newspapers of having maximum circulation among Turkey, as well as such announcement and reason for losing the Personal Security Clearance is submitted to Authority,
- Security investigation and archive research done in the period of validity of Personal Security Clearance is not finalized in favor of the person,
- In the criminal record to be obtained by the Company in every 6 months, it is understood that such person is subject to legal proceeding or sentenced or any problem occurs, the person leaves the job, a matter is detected regarding security in the criminal record, hence Authority determines that such person is not appropriate to obtain Personal Security Clearance,
- The person having Personal Security Clearance ceases to be a Turkish citizen,

- The person having Personal Security Clearance does not comply with principles and procedures with respect to being holder of Personal Security Clearance, and/or uses the Personal Security Clearance for wrong purposes,
- Facility Security Clearance of the Company is canceled by means of including the purpose of Personal Security Clearance

Companies that have not applied for Facility Security Clearance are not entitled to apply for Personal Security Clearance.

Also, Personal Security Clearances cannot be issued with a higher degree than the degree of Facility Security Clearance. The degree of Personal Security Clearance can be equal to or lower than the degree of Facility Security Clearance.

Besides, personnel having the Personal Security Clearance are obliged to return his Personal Security Clearance provided that the clearance is expired or he leaves his job in the Company.

In the light of aforementioned explanations, above stated persons are obliged to have Personal Security Clearance.

Also, please note that Personal Security Clearance for foreigners shall be obtained from relevant authorities of such foreigner's country, and then shall be presented to MoD. It must be with the applicable degree of the degree of Facility Security Clearance.

4. Facility Security Clearance

Facility Security Clearance is a certificate to be obtained for the facility in which such project is executed. Prerequisite of applying for Facility Security Clearance is to apply for Personal Security Clearance beforehand.

For joint stock companies, in order to apply for Facility Security Clearance (national degree and/or NATO confidential degree), the security investigation and archive research conducted by MoD must be finalized positive for shareholders that are authorized to access to classified information, documents, materials by a board resolution, board members, general managers, vice managers, security coordinator, as well as personnel whom is possible to access to classified information, documents, materials.

For the Companies having any foreign shareholders or board members, only Facility Security Clearance with "National Restricted for Service" degree can be issued. In the case foreign shareholder or board member is NATO member company citizen, Facility Security Clearance with NATO confidential degree can be obtained by North Atlantic Treaty Organization Central Commission Directorate, provided that such person has a Personal Security Clearance with applicable degree issued by his country, and investigation is finalized positive by Audit Committee.

Besides, provided that foreign shareholder or board member is a citizen of a country that is not NATO member, Ministry of Foreign Affairs shall render a decision regarding issuance of a Facility Security Clearance with NATO confidential degree.

The validity of Facility Security Clearance is 5 years, and it is only valid for the facilities that it has been issued for 6 months prior to the expiry date, renewal can be requested.

Once the Company applies for Facility Security Clearance, if there are any missing documents, they must be completed in 3 months; otherwise the application shall be canceled. If there are no missing documents, as well as the investigation reveals that there is no obstacle in granting Facility Security Clearance to the Company, than the facility is visited by Audit Committee (consisting of personnel assigned by Authority and personnel from Ministry of Industry and Trade), in order to consider whether criteria are met, as well as whether matters indicated in the Facility Private Security Handbook are performed, hence an audit report is prepared. Provided that the audit report is positive, a protocol is signed by and between two parties, and such protocol, as well as approved Facility Private Security Handbook is sent to the Company. Upon the conditions are maintained as stated in the protocol, Facility Security Clearance shall be issued and sent to the Company. If the result of the audit is negative, the deficiencies are informed to the Company and the Company is granted 6 months to remove such deficiencies. In this stage, the Company shall inform Authority in written if it has removed the deficiencies, and a second visit is made to the facility. Provided that the Company does not inform Authority in due time or the result of the second audit report is negative, application shall be canceled; hence the company may not apply for Facility Security Clearance for the same facility in 6 months following the cancelation of his application.

Provided that the Facility Security Clearance is canceled for any reason, it shall be returned to the Authority.

In the case of following events, Facility Security Clearance shall be rendered invalid:

- The Company has undesirable circumstances for the well-being of national security, public order, general health,
- the address or location of the facility changes, facility is liquidated, bankruptcy, change of legal entity,
- Reveal of classified information, document, material to persons not having Personal Security Clearance, or to entities not having Facility Security Clearance is detected,
- Sale of materials indicated in the Controlled List or transfer of technology of such materials to other countries, other real persons, or other legal entities without permission is detected,
- Strike or lockout occurs in the facility which affects the security of the facility,
- Recording and promoting by media organs in the facility without permission is detected,

- In the case any change in the capital structure, legal entity structure, or shareholder structure occurs and this case is not notified to MoD in one month,
- In the facility, one or more separate legal entities are placed and the same address is used by separate legal entities.

Respective person shall not be revealed the classified information, documents, projects and materials unless he obtains above mentioned clearances, thus he cannot enter such facility where such classified information exists, as well as he cannot engage in preparation phases of agreements, contracts, sub-contracts, executions in relation thereto.

5. Physical Security Measures

Companies are obliged to take necessary physical security measures in their facilities, in compliance with Law No. 5188, which generally sets forth provisions regarding private security services. Therefore, pursuant to Law No. 5202, Companies are obliged to ensure the security of their facilities by entering into an agreement with a private security service company, thus hiring private security guards in their facilities.

In order to sign an agreement with a private security service company, the permission of Governorate shall be obtained first. Apart from such measures, MoD is also entitled to request for additional measures if necessary as the conditions of environment, climate, the way of manufacturing, dangers, and technological affects are considered.

Besides, necessary physical security measures must be taken both by sender and receiver during the transportation of classified information, documents, projects and material. Principals regarding courier are stipulated under Regulation No. 14009. Transportation plans indicating the said measures must be presented to MoD for approval, prior to their execution. Unless MoD approves these plans, they cannot be executed thus transportation cannot be realized.

a. Facility physical security measures

Company shall apply to MoD in order to obtain Facility Security Clearance for its facility. In such facility, two areas must be allocated as follows:

Controlled Area: allocated in order to conduct works regarding matters requiring confidentiality

Controlled Room: allocated in order to keep and store the classified information, document, and material

Security measures in relation to Controlled Area and Controlled Room are regulated by MoD National Security Authority, and Company shall take such measures.

Measures taken by Company and principles of practice regarding physical security and information confidentiality shall be indicated in the *Facility Private Security Handbook*. Facility Private Security Handbook enters into force upon the approval of the Authority.

b. General physical security measures taken during transportation

Physical security measures must be taken also during the transportation both by sender and receiver. The sender and receiver must have Facility Security Clearance in relevant degree, and the personnel assigned in the transportation must have Personal Security Clearance in relevant degree. For the courier companies, Facility Security Clearance in relevant degree, and Personal Security Clearance in relevant degree for the staff of such company are required.

Company owning information, documents, and materials having a higher degree than “Private”, shall prepare *Transportation Plans* for such information, documents, and materials, and present mentioned plans to the Authority for approval, with the coordination of Project Authority, prior to the transportation. Transportation Plans must indicate at least the following matters:

- Exposed name and address of authority and person to be sending and receiving the classified dispatch,
- The reason for sending the classified dispatch and project information, if any,
- Weight, volume, quantity information and confidentiality degree of the dispatch,
- Dates of transportation, route to be followed, means of conveyance, as well as identities of courier or security personnel and Company information they are subject to,
- Customs transactions regarding the dispatch and information regarding export license, if any.

For the classified information, documents, and materials having a lower degree than “Private”, measures to be taken during transportation shall be indicated by the Company in Facility Private Security Handbook.

Saved for provisions of international treaties, international transportation is conducted in compliance with the following principles:

- Within the bounds of possibility, transportation of information, documents, and materials having a higher degree than “Private”, is conducted via diplomatic courier of Ministry of Foreign Affairs. In the cases it is not possible, the dispatch is delivered to receiver’s personnel or security guard, having Personal Security Clearance of relevant degree, by private courier assigned by the Authority.
- Only having the “Private for Service” degree classified information, documents, and materials can be posted abroad via post or courier company.

6. Sale and Transfer

Disclose or sale or transfers of classified information, documents, projects and materials to the countries or persons are made pursuant to the following principals:

- If such information, documents, projects and materials have been obtained abroad within scope of an international treaty, such treaty shall prevail.
- If such information, documents, projects and materials are developed and produced in Turkey, Law No. 5201 shall be applied.
- In NATO projects, provisions of treaty shall be applied.

7. Visits

a. Visits by Turkish Citizens

Turkish citizens, whom wish to visit a facility having a Facility Security Clearance, apply to MoD National Security Authority at latest 21 business days prior to the visit date. He submits his request letter for approval that indicates purpose and scope of the visit, identities of personnel, his Personal Security Clearance, entity/institution information and its contact information that he represents.

Company is obliged to take necessary measures for avoiding visitors from entering unpermitted areas of the facility.

After the visit, the Company shall prepare and submit a visit report to MoD National Security Authority at latest within 15 days from the visit, which includes the following:

- The subject, location, date of the visit, Personal Security Clearance information of the accompanied personnel,
- Identity of the person whom visited the facility, and his Personal Security Clearance information, if any,
- Security measures that has been taken during the visit, and applicability to the plan, as well as brief information regarding issues that have been brought up,
- Extraordinary events occurred, if any.

b. Visits by Foreigners

Saving the provisions of international treaties, a foreigner, whom wishes to visit a facility having a Facility Security Clearance, applies to the Authority through diplomatic representatives or military attaché, at latest 21 business days prior to the visit date. He submits his request letter for approval that indicates purpose and scope of the visit, identities of personnel, his Personal Security Clearance, entity/institution information and its contact information that he represents.

Company is obliged to take necessary measures for avoiding visitors from entering unpermitted areas of the facility.

c. Visit by Turkish Citizens for Marketing and Business Development

In the case a Turkish citizen wishes to visit a facility having a Facility Security Clearance for marketing and business development purposes, as well as without access to classified information, documents and materials, obtaining an approval from the Authority is not required, MoD National Security Authority must be informed prior to the visit, and necessary measures are taken by the Company.

d. Visits of Turkish Citizens Foreign Entities/Institutions

Provided that a Turkish citizen, whom works in Companies having Facility Security Clearance, wishes to visit for projects in defense industry related purposes, another entity/institution located abroad and conducting activities in defense industry, he applies to the Authority at latest 30 business days prior to the visit date. He submits his request letter for approval that indicates purpose and scope of the visit, identities of personnel, his Personal Security Clearance, entity/institution information and its contact information that he represents. If the application is approved, the approved request form is sent to the relevant country's authority through diplomatic representatives or military attaché, at latest 21 business days prior to the visit date.

e. Visits to the facilities having Facility Security Clearance with a NATO security degree

Visits to such facilities and visits from such facilities to abroad are under control of the Authority.

8. Audits

Facilities are also subject to regular audits by a commission consisted of officials from Ministry of Industry and Trade, in coordination with MoD, at least once a year, informed or uninformed. By the said audits, measures that are required to be taken are examined, hence the facility is granted Facility Security Clearance provided that necessary measures have been taken.

In the facilities in which NATO projects are realized, MoD requests for an official from North Atlantic Treaty Central Commission Directorate to be present in the audit. Besides, in accordance with Law No. 5188, the authority of audit of Ministry of Internal Affairs is reserved.

9. Criminal Sanctions

In the case private security guards are hired in the facilities without prior permission of Governorate as stated above, responsible managers of the Company shall be sentenced to imprisonment from three months to one year; or imposed punitive fine.

Responsible managers of the Companies that conduct their activities without obtaining Personal Security Clearance and Facility Security Clearance shall be sentenced to imprisonment from six months to one year, unless their act does not constitute another crime.

Responsible managers of the Companies that do not comply with security measures during the transportation of classified information, documents, projects and materials shall be sentenced to imprisonment from six months to one year, unless their act does not constitute another crime.

Responsible managers of the Companies that allow visits without prior approval of MoD shall be sentenced to imprisonment from six months to one year, unless their act does not constitute another crime.

IV. CONTROLLED LIST (2020)

Controlled List sets forth war tools and materials, weapons, munitions, and replacement parts thereto, as well as explosive materials, and relevant technologies (referred to as “**Materials**” above) for the current year. Controlled List is issued by MoD in every January, and may be issued during the year if necessary. In the case a new Controlled List is not issued for a year in January, the Controlled List of the former year shall be applied.

Controlled List issued for year 2020 (published via 30.04.2020 dated and 31114 numbered Official Gazette) is stated hereby for your information.

a. Barreled Weapons

1. Grooved firearms (guns) with sets, with any caliber and model, machine guns, and their main parts (body/frame/bolt set/slide/upper body, barrel, for wheel guns cylinder/chamber/center, mechanism assembly, and trigger appliances), parts important for ballistic (firing pin, mechanism bottom plate, extractor, extractor spring, barrel)
2. Grooved rifles with sets, with any caliber and model, with single shot or automatic, crack shot rifle, grooved shotgun with sets, as well as their main parts (body/frame, bolt set/upper body, barrel, mechanism assembly, magazine assembly, and trigger appliances) parts important for ballistic (firing pin, mechanism bottom plate, extractor, extractor spring, barrel)
Note: ungrooved rifle and its assemblies, rifles used in marksmanship training, rifles used for sport purposes and their assemblies Rifles or pistols specially designed to fire inert bullets with compressed air or CO2 are excluded.
3. Grenade thrower (launcher, flame thrower, grenade launcher, torpedo tube, etc.) and their main parts (barrel, trigger appliances, body, sight/optic sight)
4. Grooved/ungrooved mortars, with any caliber and model, and their barrels and aligners,
5. Heavy and light artilleries, with any caliber and model, howitzers, and their main parts (barrel, cam, breech ring) and sub-caliber appliance used in such weapons.

b. Tactical Vehicles

1. Tanks, track laying and wheeled armored combat vehicles, armored personnel carriers, All kinds of armored personnel carriers, armored weapon / ammunition carrier vehicles with military equipment (weapons, command control mechanism, thermal cameras, electronic warfare and electronic countermeasure systems).
2. All and any kinds of weapons, cam assemblies, armors, automatic/semi-automatic loader, turret, barrels and fire control system of such weapon systems, attached to such vehicles,
3. All and any kinds of wheeled tactical vehicles for military purposes, having military equipment on (weapon, command and control system, electronic combat and electronic countermeasure systems),
4. Tank towing vehicles, tank transporters, wrecker vehicles; for military purposes,
5. Vehicles of minesweeping and mine scattering systems, breaching minefield systems,
6. All and any kinds of weapon platforms and platform tools,
7. Unmanned vehicle for military purposes,
8. All and any kinds of bridge tools for military purposes.

c. Military Explosives and Pyrotechnic Material

1. All and any kinds of munitions used in barreled weapons stated above, and their main parts and propelling charge (artillery ammunition cartridge gun powder, light weapon munitions cartridge gun powder, special purpose cartridge gun powder; excluding black gunpowder) and explosives,
2. All and any kinds of fuses of combat weapons, specially designed parts for these (Safety and firing devices, missiles, sensors and initiating devices, flammable casings for explosives)
3. All and any kinds of military explosive materials used for destruction purposes (bombs, hand grenades, smoke bomb, torpedo, demolition charge, etc.) as well as their main parts (percussion cap, chemicals, priming, buster, detonator, and all kinds of explosive materials used for main charge)
4. All and any kinds of military burning, inflammable, and dispersant pyrotechnic material (pyrotechnic materials causing light, sound, gas, smoke, signal flares for military purposes, fog signals/flares for military purposes, fuses, detonating cords or detonating capsules, detonation substances electrical detonation substances)
5. Rocket and missile fuels and materials added to such fuels and propelling cartridges. (Energetic Materials within the scope of Wassenaar Regulation Ammunition List ML8)

ç. Bazooka, Rocket, Missiles, and Torpedoes

1. Rockets, missiles, and torpedoes with all diameters and ranges, and main parts of such systems (control system, body, fuse and detonations, detectors; including rocket motor, war head, guidance system, seeker head, tail assembly/baffles)
2. Systems used in launching rockets, missiles, and torpedoes with all diameters and ranges, and their main parts (launch pad, barrel, launcher, fire control system, 3000 PSI and higher pneumatic components applying pressure)

d. Chemical, Biological, Radiologic, and Nuclear Weapons

1. All and any kinds of destruction substances, munitions can be used with such weapons, and systems used for emplacement, transportation, ejecting such weapons
2. Hazardous materials suit, underwear, boat cover, gloves and systems, masks, strainers, filters of such, protective garments, all and any kinds of CBRN cleansing accessories and appliances; used against chemical, biological, radiologic and nuclear substances used for military purposes

e. Military Aircrafts and Systems

1. All and any kinds of aircrafts for military purposes (planes, helicopters, unmanned air vehicles, drones, balloons, gliders), and all kinds of combat systems used in such aircrafts (launch systems, launching and rescue vehicles and ground support equipment, and equipment designed for command or control),
2. Horizontal and vertical stabilizer, assembly tail, aileron, flap, spar, assembly aileron, longeron, bulkhead, body; used in military aircrafts
3. Indicator – radio – radar systems of military aircrafts (air navigation tools and equipment, radar equipment and all kinds of radio devices including pertained to remote control)
4. Motors of military aircrafts (turbofan, turbojet, turboprop, turbo shaft, piston), and blast chamber, turbine, turbine pale, turbine disk, turbine nozzle used in such motors
5. Landing gear leg, impeller, spindle hub, rotor (rotor hub, main transmission and rotor blades) of military aircrafts
6. All and any kinds of weapon systems, hardware, and munitions including counter measure munitions and their ejection systems
7. Ejection tool and equipment for unmanned aircrafts
8. Other mechanical, electromechanical, electronic, optic and optronic devices designed for military purposes, used in such vehicles

f. Surface Combatant and Underwater Combatant

1. All types and class of combat ship used in surface and underwater and platforms (including blown up rafts for military purposes)
2. Weapons, fire control, command control systems used in such as well as acoustic deluder and jamming)
3. Other special mechanic, electro mechanic, electronic, optic and optronic devices used in marine platforms for military purposes, as well as armor material
4. All and any kinds of boats that are specially designed or adapted in such a manner that weapons and/or weapon mount and/or military electronic systems can be located on, for military purposes
5. Unmanned surface and underwater vehicles for military purposes

g. Military Command and Control, Correspondence, and Information Systems

1. Electronic combat, electronic attack, electronic support, and electronic protection system and equipment as well as simulator and simulator systems making testing and evaluation of such systems, aimed at tactics of increasing/decreasing of their activity and technical development
2. Wired and wireless correspondence system and devices with military purpose and/or cryptographic (headphones, microphone sets, accessories and batteries of them are excluded)
3. Crypto and voice safety device for military purposes or national security purposes
4. All kinds of weapons and military communication systems originated from laser and microwave
5. NATO and ACE type shelters used for military purposes
6. Military reconnaissance and surveillance; recording devices, radar and equipment of such, as well as recognition system
7. All kinds of software for military purposes or national security purposes (ones that are not for military purposes and security purposes are excluded)
8. All kinds of training simulators and simulations for military purposes

ğ. Space Systems for Military Purposes

1. Spacecrafts for military purposes (including satellites), satellite systems, movable/ located earth terminals as well as space and earth equipment of such systems (launch vehicle of space crafts for military purposes and suborbital tools, Space Survey Systems, rocket launcher and rocket launcher tower, transmitter devices with receiver device, satellite radio link receiver and transmitter aerial)

2. Hardware and weapon systems that can be used for purposes of exploration, surveillance, stirring, communication, dispatch and direction in satellites

h. Military Exploration, Surveillance, and Detection Censors, Geographical Position Determination and Navigation Systems

1. Inertial Navigation Systems as well as cryptographic Global Positioning System (GPS, GNSS, GLONAS etc.) devices as well as other coordination determination and ground direction finding systems
2. Aiming pointing, fire control, surveillance tools and equipment with thermal infrared and laser properties, for military purposes (telescopic binocle, telescope, periscope, thermal cameras for military purposes)
3. Explosive substance detector systems and torpedo detectors used for military purposes
4. Laser designators, laser pointers, and laser target detector systems used for military purposes
5. Night vision devices, as well as image intensifier tubes detectors and detector reading stages used in night vision glasses, used for military purposes
6. Image processing systems and record equipment and infrared or thermal imaging equipment, imaging radar sensor equipment and countermeasure systems for these equipments used for military purposes
7. Fire control and related early warning and warning systems specially designed for military use and related systems (Target detection, identification, distance measuring, surveillance and tracking systems, detection, data collection, recognition or identification devices and sensor integrated devices).

i. Other Military Materials and Devices

1. Night vision glasses, and fabric/net that cannot be seen with thermal camera
2. Invisibility technologies used for military purposes (radar absorber materials, radar absorber structures, radar cross-sectional area estimation software codes, infrared/visible by sight/acoustic/magnetic trace fader materials and techniques as well as all kinds of trace estimation software codes)
3. Metallic and non-metallic structures designed especially for ballistic protection of military systems and personnel
4. Helmet produced to provide ballistic protection in accordance with military standard or similar national standards and helmet covers and inner caps specially designed for helmets

5. All kinds of ammunition used in the above-mentioned barreled weapons and shell production benches specially designed for the production of ammunition main parts, bullet production benches, capsule spinning benches, cartridge filling / writing benches etc.

Please kindly note that, chemical, biological, radiological, and nuclear war materials are forbidden to be produced, exported or imported, due to international agreements that Turkey is a party of thereto.

In addition, in such a case that a Material is used for both military and civil purposes, such Materials are named as “Dual-use Materials” and they must be stated in the application/declaration of a Company, and all transactions related thereto are executed under responsibility of Ministry of Economy.

Besides, Companies must state whether Materials to be exported/imported are for military or civil purposes, in the Customs Declaration. In import and export of Materials, in addition to the legislation explained hereby, also Missile Technology Control Regime Annex List and Wassenaar Arrangement Munitions List are applied.

V. WASSENAAR ARRANGEMENT MUNITION LIST

Wassenaar Arrangement is a multilateral export control regime, which aims to conduct exportation controls of conventional weapons as well as dual-use materials and technologies between contracting countries on voluntary basis. By means of this Arrangement, notification regarding goods have been sold to other countries are made to the countries; hence information exchange is maintained.

Exportation and licensing activities of conventional weapons as well as dual-use materials and technologies are under control of Prime Ministry Undersecretariat of Foreign Trade. Therefore, exportation and licensing activities are registered by Prime Ministry Undersecretariat of Foreign Trade.

Within this scope, information regarding the country the export to be done, buyer, end user, end usage purpose as well as technical properties of goods are analyzed, and final decision is notified to the Company.

Weapon categories of which exportation is under control pursuant to Wassenaar Arrangement are listed below:

- Tanks
- Armored combat vehicles
- Heavy artillery systems
- Combat aircraft/Remote controlled aircraft
- Military helicopter/Attack helicopter

- Warship
- Missiles and missile systems
- Shoulder-fired anti-aircraft weapon and systems
- Small and light weapons

Wassenaar Arrangement Munition List is issued every year. In accordance with the 2020 Plenary decision, the 2019 Lists remain in force in 2021. A brief overview to the current list is presented hereby for your information.

- Smooth-bore weapons with a calibre of less than 20 mm, other arms and automatic weapons with a calibre of 12.7 mm (calibre 0.50 inches) or less and accessories;
- Rifles and combination guns, handguns, machine, sub-machine and volley guns;
- Smooth-bore weapons specially designed for military use;
- Weapons using caseless ammunition;
- Detachable cartridge magazines, sound suppressors or moderators, special gun-mountings, optical weapons sights and flash suppressors,
- Smooth-bore weapons with a calibre of 20 mm or more, other weapons or armament with a calibre greater than 12.7 mm (calibre 0.50 inches), projectors and accessories,
- Guns, howitzers, cannon, mortars, anti-tank weapons, projectile launchers, military flame throwers, rifles, recoilless rifles, smooth-bore weapons and signature reduction devices;
- Weapons sights and weapon sight mounts,
- Mountings and detachable cartridge magazines,
- "Technology" "required" for the design of, the assembly of components into, and the operation, maintenance and repair of, complete production installations for items specified by the Munitions List, even if the components of such production installations are not specified;
- "Technology" "required" for the "development" and "production" of small arms, even if used to produce reproductions of antique small arms;