



Trade in Services Agreement (TiSA) Market Access Negotiations: Turkey

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Description

This is a confidential Market Access Negotiations document from the European Union (EU) to Turkey in the negotiation of the Trade in Services Agreement (TiSA). TiSA is an international treaty currently under negotiation between the United States, the European Union and 23 other countries. The Agreement creates an international legal regime which aims to deregulate and privatize the supply of services - which account for the majority of the economy across TiSA countries. The Market Access Negotiations document exposes part of the negotiating process, whereby one of the negotiating parties (the European Union) outlines its requests for a schedule of commitments from another of the parties (Turkey). The text dates from shortly before the 11th round of TiSA negotiations held 9-13 February 2015 in Geneva, Switzerland.

WikiLeaks

**TiSA – market access negotiations
by country**

(25 January 2015)

T U R K E Y

S U M M A R Y

- **EU's interest:** To get further market access at least in transport, distribution, delivery services, telecommunication, environment and mode 4
- **Turkish interest:** mode 4, road transport services

1. Offensive points**Key market access requests that remain to be offered by Turkey**

The requests below do not cover the whole set of EU requests to Turkey, but represent the key ones that should be raised in bilateral market access negotiations.

Request n°1: Horizontal**COMMITMENTS, OFFERS AND INDICATIONS**

TiSA	GATS/ DDA (initial + revised offer)	Best FTA
<p>The offer could be improved as only half of the sectors are committed (i.e. nothing for distribution, recreational and only part of other business services, health and transport).</p> <p>Some of committed with limitations (in particular professional services, telecommunication, environment, postal).</p>	<p>TiSA is almost a DDA offer for MA but with the huge policy space reservation for NT (around 80 sectors).</p>	<p>Turkey recently negotiated FTA with Korea that includes the services positive schedule. It is slightly better than DDA and TISA offer, as additionally few sectors are scheduled (veterinarian and integrated engineering services; R&D on natural sciences; 2 sectors under rental and leasing; printing and convention services; AV; hospital services; entertainment services), but still the commitments come with M1 and M3 limitations. Distribution, part of professional and business services and part of transport is missing.</p>

ASSESSMENT

1. TiSA offer contains broad policy space, many horizontal limitations and it does not contain market access commitments for more than 50 sectors.
2. It would be important to seek the improvement of the commitments on business service, in particular to cover additional professional services like taxation advisory services, medical and dental services, veterinary services, services provided by nurses, midwives¹, and physiotherapists but also add research and development services.
3. The offer excludes distribution services, recreational services and tourist guides.
4. Commitments on computer services and transport are partial. For example there is nothing on data base services either on maintenance and repair of road and rail transport equipment or any supporting services for those two modes of transport.

¹ It is worth noted that with regards midwives, nationality requirements was lifted on 18 January 2014 with Law no. 6514 (according to EU delegation), so there is no formal obstacles in better commitment.

5. Any commercial presence in Turkey is subject to authorization in order to ensure that such activities are beneficial to the economic development of Turkey; are in the areas open to the Turkish private sector; and, do not entail a monopoly or special privilege.

EU INTEREST

- Complementing the offer with uncommitted sectors, as well as removing limitation will substantively add value.
- Having policy space as in Turkey's offer defeats the purpose of any hybrid approach and negative list on NT.

FEASIBILITY/EXPECTATIONS

- Turkey should substantially improve its offer to bring it to the level of ambition agreed by the participants before moving into the exchange of revised offers.

Outcome of the bilateral meeting of 10 November 2014

- *On the overall level of the offer / ambition:* TR initial offer is attempt to translate GATS commitments into hybrid approach. Reflect to the extent possible existing legislation. TR pretends to have committed 90 sectors or sub-sectors or activities. Not much water for the sector not yet committed. Improvements on key infrastructure sectors have been introduced. Much legislation to be changed. Amount of policy space: logic is that when no MA commitment, there is a policy space limitation. TR stressed that however this is an initial offer but will need to take something back home to justify a change in the offer. For example: road transport is 5 pages; there must be a value in it. Wants to see results.
- *On the horizontal M3 limitation:* Key limitation taken from the GATS, it is a horizontal screening mechanism. Recognise that this is a concern expressed by many participants. Not in the legislation – this is more a reply to other participants' existing screening mechanism. Will maintain this limitation up to the moment all investment screening mechanisms are being eliminated.
- EU flagged that TR offer in the worst 5-6 offers of TiSA.

Request n°2: Sector: Transport

COMMITMENTS, OFFERS AND INDICATIONS

TiSA	GATS/DDA (initial + revised offer)	Best FTA
<p>Mode 4: in TiSA there seems to be backtracking in M4 "TO BE CLARIFIED: in most sectors M4 in GATS is <i>None</i>, in TiSA <i>Unbound</i>, except as indicated in the horizontal section.</p>	<p>In TiSA backtracking in M4.</p>	
<p>NT: very extensive limitations for transport modes and some auxiliaries. MA: no "dry rental". No auxiliaries for any of the modes of transport.</p> <p>Very limited for rail and road.</p> <p>3 Classical air auxiliaries acceptable but can be improved.</p> <p>Maritime transport + rental wet + vessel maintenance: OK!</p>	<p>GATS=DDA=TiSA= number of sectors committed 11 out of 35 (no commitment in internal waterways services, space services, pipeline services, services auxiliary and other transport services) but in DDA backtracking in 2 sectors (M1 and M4) and in NT M3 for road transport".</p>	<p>Part of transport sectors covered (no space, pipeline, interwaterways, aux); maritime (4 sectors; in passenger and freight transportation 51% majority of TR shareholders is required); TR citizenship is required for captain and crew; air transport (3 sectors; M1 limitation for selling air tickets - sales office is required; authorisation is required for M3 maintenance and repair); rail transport (1 sector; public monopoly); road transport (2 sectors; M1 unbound; licence required for passenger and freight transportation).</p>

ASSESSMENT

1. Full policy space for "maritime agency services".
2. Poor commitments in auxiliary maritime services (should cover at least the services indicated as auxiliary services in the TiSA negotiating text on international maritime transport proposed by Norway) and auxiliary services to road, rail and inland waterways transport.
3. Restrictions to movements of empty containers.
4. Mode 1 for "selling of air transport services" without sales office not committed.
5. Market Access M4 limitations (*None* in GATS, whereas *Unbound*, as *except ...* in TiSA).

6. Not clear: seafarers:

[Given the provision that TR includes in their proposal it would be good to note that regardless recognition and entry for sea farers, what really matters is market access to and in **Turkey seafarers of Turkish ships shall be Turkish citizen**. Further, some other occupations are also reserved for Turkish nationals based on Law no. 815 on Maritime Transport along Turkish Coasts, including removal of maritime vessels having had an accident, or of abandoned ship wrecks; and captains, clerks, engineers, crew members, sea tradesmen, carriers at ports and wharfs. The cabinet may permit foreign ships to provide rescue services and foreigners to be employed on board Turkish rescue boats temporarily].

7. Restrictions to multimodal:

[It is possible to provide door-to-door multimodal services but **not under single contract** as the legal and insurance regime does not accommodate such arrangements yet. The Turkish DG for Combined Transport is preparing a set of implementing legislation to allow and even subsidize multi-modal transport services in Turkey. **Foreign companies can subcontract all services to local companies, and there is no restriction to the provision of any type of transport services as long as the company is registered in Turkey (subject to the 51% ownership rule applying to cabotage in maritime transport and aviation).**]

EU INTEREST

- EU operators would benefit from removing or at least lowering ownership restrictions.

DEFENSIVE POINTS

The outstanding Turkish requests to the EU focus on road transport services, which TR pursues through a regulatory proposal, however it can't be excluded that Turkey comes back to this issue, in market access discussion.

In case TR raises the issue of road transport

- The EU supports the objective of ambitious standards on international transport in much broader sense.
- With regards to your road transport proposal, we note the bilateral nature of many issues raised there, which the EU is open to consider bilaterally.
- You are certainly aware that the EU and Turkey have agreed to deepen their trade relations on top of those covered currently by existing agreements (Customs Union Agreement; FTA for steel products; FTA-type agreement for certain agricultural products).
- The additional areas being considered include agriculture, services including road transport services, public procurement, regulatory harmonisation, enhanced cooperation towards third countries.
- The fact that this issue of a mainly bilateral interest is discussed in Geneva may have the negative effect of raising the sensitivities of a number of Member States, and complicate the establishment of a constructive dialogue to try to improve the situation on a bilateral basis.
- Insofar as drivers are concerned, many proposals in your text look more like provisions that one would find in a visa facilitation agreement. Let me repeat that we don't see the need to

inscribe them in TiSA, in particular given the EU – Turkey visa liberalization dialogue, which will address this issue.

Outcome of the bilateral meeting of 10 November 2014

- *On "maritime agency services" and auxiliary services: We are having a hard time, what would TR have from that? We are flexible but we need to see what we can get out of that.*
- *Turkey should improve the list of its commitments in auxiliary maritime services, covering at least the services indicated as auxiliary services in the TiSA negotiating text on international maritime transport proposed by Norway. TR took note.*
- *Turkey should remove restrictions to movements of empty containers. TR took note.*
- *Turkey should improve its commitments as regards auxiliary services to road, rail and inland waterways transport. TR took note.*
- *Turkey should open mode 1 for "selling of air transport services" without sales office. - TR took note.*

Request n°3: Distribution services

COMMITMENTS, OFFERS AND INDICATIONS

TiSA	GATS/DDA (initial + revised offer)	Best FTA
Not scheduled	Not scheduled	Not scheduled

ASSESSMENT

- No commitments.

EU INTEREST

- Access to the Turkish market is most likely important to the EU operators due to its proximity to the EU and its size.
- TR should take commitments in distribution.
- We have currently no detailed information from our industry.

FEASIBILITY/EXPECTATIONS

- Not known.
- According to EU Delegation (EUD) information: The Law on the Regulation of Retail Trade, which has been under preparation for over 10 years by the Turkish government, was approved by the Parliament on 14 January 2015 following a lot of debate. The Delegation has been following the issue since its inception and has been lately approached by representatives of major European retailers such as METRO and TESCO who wished to express their concerns on the advanced draft of the law, which was finally legislated with no major changes. EUD have disseminated the advanced draft and the views of the retailers to the related services of the Commission with some background documentation and received their useful feedback. Accordingly, the law does not seem to entail per se any serious violation of Turkey's legal commitments under the Custom Union, whether in the area of free movement of goods or of antitrust. Nevertheless, given the high stakes for the European companies concerned, there might be a need to express our concern on certain provisions of the law concerning consumer protection, i.e. the issue of promotions, actions which may lead to "buy domestic" campaigns and excessive interference and cumbersome registration processes in establishing retail businesses which would not help the business environment in Turkey for attracting further FDI. Ideally this should be done before the secondary legislation is issued by the Ministry of Customs and Trade in October 2015.

<u>Outcome of the bilateral meeting of 10 November 2014</u>
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| <ul style="list-style-type: none"> • TR took note. |
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Request n°4: Competitive Delivery Services

COMMITMENTS, OFFERS AND INDICATIONS

TiSA	GATS/DDA (initial + revised offer)	Best FTA
Postal services under public monopoly in M1 and M3, M4 unbound.	GATS=DDA Postal services under public monopoly in M1 and M3, M4 unbound.	Postal services under public monopoly in M1 and M3, M4 unbound.
Courier services with M3 limitation (establishment of joint stock or LLC). NT for postal all modes (public monopoly) and for courier for M1 and M3.	Courier services fully committed.	Courier services with M3 limitation (establishment of LLC).

ASSESSMENT

1. Courier services (CPC 7512) - MA reservations in mode 3: establishment of joint stock or Limited Liability Company.
2. Postal services (CPC 7511), not committed in offer, except Mode 2.
3. Express delivery services not committed.
4. Policy space reservations with regard to courier services and for postal services.

EU INTEREST

- The EU has strong offensive interests in this sector. Turkey is an important market for the EU companies which are very active there.
- The EU express operators are very active in Turkey. The new Postal Legislation and its obligation to contribute to the universal services fund will result in a substantial revenue loss for our operators.

On Regulation

- Recently we have also been informed that new Turkish Postal Services Act of May 2013 and related regulations published in June 2014 require international express companies to obtain a license as a postal service provider. While this fact in itself is a general business practice, it is linked to another practice raising our serious concerns².

² According to EU Delegation: on 14 November, seven companies were granted licenses for 15 years to provide postal services outside the reserved area in certain pre-defined geographical areas/provinces.

- After completion of the licensing period, companies will have to pay 2% of their net income generated from postal shipments as a contribution to a universal service fund. We find it unjustified that companies providing express services which are distinct from the universal services provided by the Turkish incumbent will have to contribute to financing of universal postal service.
- It is against the spirit of the EU Postal legislation where only providers of the universal services can be asked to contribute to a universal service fund.
- The EU industry expressed its views during the consultation process of this law which however were not taken into account.
- We would like to ask Turkey to align its Postal legislation with the EU postal laws.

FEASIBILITY/EXPECTATIONS

- Despite the fact that the EU accession negotiations are being frozen, Turkey should align its laws with the EU internal market legislation.

Outcome of the bilateral meeting of 10 November 2014

- TR took note and informed it is looking at the EU legislation, and should not be far apart.

Request n°5: Financial services
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COMMITMENTS, OFFERS AND INDICATIONS

TiSA	GATS/DDA (initial + revised offer)	FTA with Korea
<p>Good for insurance, weaker for banking.</p> <p><u>Mode 1</u> Insurance: open for life insurance and injury health insurance for expats. This which goes beyond the Understanding, Transportation insurance is Understanding +. On the other side MAT commitments not complete (e.g. for aviation limited to hull, limitations on auxiliary insurance services. Banking: localisation requirement for data processing (not compliant with Understanding); full of unbound in Mode 1 which is GATS minus.</p> <p><u>Mode 3</u> Insurance: insurance committed Banking/Securities: branching of securities firms can be restricted; Monopoly of Takasbank A.S. for securities settlement and clearing services.</p>	<p>Almost full sectors coverage; but partial commitment in insurance, full commitment in cross border banking services and partial in establishment banking services, commitments in other financial services [full openness in mode 1 banking surprising – TiSA in this respect GATS-].</p>	<p>Offer mirrors TiSA with some differences for financial data processing and insurance intermediation such as brokerage and agency (here none).</p>

ASSESSMENT

1. For banking cross border the offer seems to be GATS minus.
2. Financial data processing should be allowed in line with the Understanding. The mandatory localisation requirement may be too restrictive;
3. Branching for securities firms is not allowed.

EU INTEREST

- TR legislation requires all banks to establish their primary and secondary IT systems domestically, i.e. in Turkey. The cost of establishing and running a dedicated IT centre (servers, etc.) in each country could be sizeable for global banks, which operate in various countries and may prefer to have a single IT centre e.g., per continent. Abolishing this requirement could reduce operating costs also for EU banks which are already present in the Turkish market (HSBC, Finansbank – the National Bank of Greece, Garanti bank – BBVA), while reducing the entry cost for potential investors.

FEASIBILITY/EXPECTATIONS

- According to EU Delegation this requirement is unlikely to be abolished. The Law on the rights and responsibilities of the National Intelligence Agency (MIT), Article 6-b as amended on 17 April 2014, grants the Agency the right to establish online connection and use the IT systems of sectoral associations, and all public and private entities, including banks, to collect information, documents, data and records. Unlike any other entity, "banks" are specifically mentioned in the Law. Please note that the IT connection defined in the Law is automatic, not requiring the concerned entities' consent. These entities cannot refrain from following MIT's demands referring to confidentiality or other concerns specified in their own legislation. Having access to data centres established abroad could be more problematic for the authorities, thus this mandatory localisation requirement is unlikely to change.

Request n°6: Telecommunication services
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COMMITMENTS, OFFERS AND INDICATIONS

TiSA	GATS/DDA (initial + revised offer)	Best FTA
<p>Commitments for all telecommunication services modes 1-3. 1), 3) (None) "Except for national public organizations and state-owned enterprises foreseen by law, in order to be authorized, establishment is required in the form of a joint-stock or limited liability company.</p> <p>Electronic communications (telecommunications) services and infrastructure requiring authorization in the form of limited number of rights of use can be provided only by joint stock companies". (Interestingly: broadcasting <i>transmission</i> services seem to be covered by the Turkish offer:</p> <p>The scope of basic telecommunications in our final Schedule does not cover any kind of (analog-digital) radio and TV programme broadcasting services to the public".)</p>	<p>MA mode 1 and 3 (mode 4 unbound, full commitments on mode 2):</p> <ul style="list-style-type: none"> - Monopoly for Turkish telecommunications until 2005 - Foreign equity cap up to 49% - Interconnections between private companies is prohibited (???) 	<p>TR – Korea</p> <p>1), 3) Other than national public organizations and state-owned enterprises foreseen by law, in order to be authorized, establishment is required in the form of a joint-stock or limited liability company.</p> <p>Turkey's TiSA offer is hence TR-KOREA minus in that the latter does not include the following reservation:</p> <p><i>Electronic communications services and infrastructure requiring authorization in the form of limited number of rights of use can be provided only by joint stock companies".</i></p>

ASSESSMENT

1. Legal form requirements.
2. Unclear:
 - a. What are "state-owner enterprises foreseen by law"? Are these monopolies? For which telecommunication services?
 - b. Does the requirement of a joint-stock or limited liability company apply for all telecommunication services?
3. No foreign equity caps as indicated in GATS schedule.

EU INTEREST

- Key market for telecommunication companies.
- Vodafone already has important market presence in mobile telephony market.
- It would be useful to get more information on the procedures and authorisation requirements for provision of satellite services in Turkey, including in particular about the seemingly dual role of Turksat, being both a sort of regulator and a market player too.

FEASIBILITY/EXPECTATIONS

- Not known.

Outcome of the bilateral meeting of 10 November 2014

- TR took note and will provide replies.

Request n°7: Environmental services
COMMITMENTS, OFFERS AND INDICATIONS

TiSA	GATS/DDA (initial + revised offer)	Best FTA
<p><u>Coverage of only CPC codes 9401-9403</u></p> <p><u>National treatment</u> 1) Policy space on sewage services (9401); refuse disposal services (9402); sanitation and similar services (9403). 1-4) Policy space on remaining categories cleaning of exhaust gases (9404), noise abatement (9405), nature and landscape protection (9406), other (9409).</p> <p><u>Market access</u> 9401-9403 - unbound for mode 1.</p>	Both same as TiSA	Additional coverage of CPC codes 9404 (cleaning services of exhaust gases) and CPC 9405 (noise abatement services): Mode 1 unbound Modes 2/3: none

ASSESSMENT

1. Only CPC Prov codes 9401 (sewage), 9402 (refuse disposal) and 9403 (sanitation and similar services) are covered.
2. CPC 9404 (cleaning of exhaust gases), 9405 (noise abatement), 9406 (nature and landscape protection) are not committed while they are committed in KR-TR FTA. *[However to be born in mind that KR-TR may correspond to CETA – i.e. was not concluded when TiSA initial offers were tabled. We should be careful to insist on KR-TR level of ambition, as this might bounce back in terms of CETA.]*
3. Mode 1 is completely unbound *[bearing in mind our own mode 1 reservations excluding consultancy]*.

EU INTEREST

- Offensive interest in all subsectors. Most important ones are covered (9401-9403), however remaining ones have economic value as well.

FEASIBILITY/EXPECTATIONS

- As KR-TR covers additional subsectors, this should be feasible as well for TiSA.

Request n°8: Tourism services

COMMITMENTS, OFFERS AND INDICATIONS

TiSA	GATS/DDA (initial + revised offer)	Best FTA
<p>A. Hotels and restaurants CPC 641-643: Mode 2 restriction on Turkish tourist going abroad; Mode 4 limitations.</p> <p>B. Travel agencies CPC 7471: commercial presence is required for Mode 1 nullifying the commitment; and NT Mode 1 reservation (Foreign travel agencies may not organize tours abroad).</p> <p>C. Tourist guides CPC 7472: – not scheduled.</p>	As TiSA offer.	As TiSA offer.

ASSESSMENT

1. Tourist guides (CPC 7472) not committed.
2. Travel agencies (CPC 7471) commercial presence required.
3. Strange limitation in mode 2 on 100\$ fee to be paid by TR tourists going abroad. *[However, according to EU Delegation it is mistake, as Law No 5597 (published on the Official Gazette of 23 March 2007, set the fee as 15 TL (10\$) for going abroad with a Turkish passport.]*

EU INTEREST

- Turkey is very well known tourist destination.
- We have currently no detailed information from our industry on any specific needs in this sector.

FEASIBILITY/EXPECTATIONS

- Not known

<u>Outcome of the bilateral meeting of 10 November 2014</u>
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| <ul style="list-style-type: none"> • TR took note. |
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Request n°9: Mode 4

COMMITMENTS, OFFERS AND INDICATIONS

TiSA	GATS/DDA (initial + revised offer)	Best FTA
<p>ICTs (executives-managers, specialists) & Trainees up to 1y in sectors committed under mode3</p> <p>BVs up to 90d within 180d in sectors committed under mode 3,</p> <p>Business SS up to 90d within 180d subject to specific commitments in modes 1,2,3.</p> <p><u>Lack of commitments</u></p> <ul style="list-style-type: none"> - in most of professional services: accounting, taxation, medical, veterinary, -postal services, - distribution services, - hospital services <p><u>Numerical Restrictions for hotel and restaurants</u> (only 10% up to 20% after of employees can be foreign).</p> <p>Huge <u>policy space</u> in all sectors</p> <p>Long list of professional services reserved for TR nationals (in NT column)-very limited commitments in MA column residence requirement for insurance and reinsurance brokers</p> <p>Appointment of a fully recognised <u>commercial representative domiciled in TR is required for opening a branch.</u></p>	<p>Tisa offer is better than DDA, as TR aligned it to the usual EU offer insofar as categories as concerns (i.e. By adding Trainees next to ICT and BVs) and linking commitments on ICTs and BVs with sectors committed under mode 3, and for Business SS with sectors committed under modes 1,2 and 3. Also length of stay is longer in TiSA for Business SS (90d compared to 30d in DDA).</p>	<p>The latest FTA with KR is broadly comparable to TiSA (same categories with the same period of stay), however there is the annex on MNP applies to CSS and IPs and contains the following provision on CSS and IPs:</p> <p><i>No later than five years after the entry into force of this Agreement, the Parties shall consider negotiating commitments concerning the access of contractual service suppliers and independent professionals of a Party to the territory of the other Party, by taking into account the results of negotiations pursuant to Article XIX of GATS and to the Ministerial Declaration of the WTO Ministerial Conference adopted on November 14, 2001.</i></p> <p>KR-TR FTA is more transparent listing all professional services reserved to TR nationals.</p> <p>TR committed integrated engineering services and veterinary, postal and courier.</p>

ASSESSMENT

1. Commitments on limited number of categories (excluding contractual service suppliers and independent professionals) and under limited sectoral coverage.
2. Broad policy space on all modes and numerous sectors.
3. Lack of commitments in postal services, distribution services, hospital services as well as most of professional services (accounting, taxation, medical, veterinary) couples with the long list of services reserved for TR nationals.
4. Numerical restrictions for hotel and restaurants (only 10% up to 20% after of employees can be foreign).
5. Period of stay (1 year) for managers and specialists – could be 3 years.
6. Scheduling technique: in some places no annotation on mode 4 is made in MA column i.e. in other financial services.

EU INTEREST

- Next to economic value the request has also a systemic value for mode 4 negotiations on the standards proposed by the EU in the text.
- This also has a structural value: pushing for MA/NT shows the EU's ambition and allows to move away from issues of visa, which are being pursued by TR (clearly against the EU).
- In EU interest is to a) prolong TR commitments on ICTs (managers and specialist) up to 3y to reach reciprocal rights, which EU accords and b) achieve commitments on business visitors and at least for CSS.

FEASIBILITY/EXPECTATIONS

- Given that TR considered taking commitments on CSS and IP vis-à-vis KR, the EU such commitment should be feasible to obtain in context of TiSA as well.
- Given that TR in its accession efforts should align its legislation to the one of the EU, introduction of ICT Directive should make it easier to request from TR commitment for 3 years period of stay for managers and specialist.

DEFENSIVE POINT

The outstanding Turkish request to the EU focuses on procedural facilitations on mode 4, in particular on transparency and visas. TR pursues these issues through a regulatory proposal, however it can't be excluded that Turkey comes back to these issues, also in market access discussion.

In case TR raises the issue of visa and Mode 4

- The EU supports the objective of ambitious standards on mode 4 in TiSA and appreciates Turkey's efforts originally as a proponent of regulatory text in this area.

- As you know the EU considers that the TiSA is not an appropriate tool for commitments related to visa procedures, given that these do not fall in the remit of trade and are being negotiated on a parallel bilateral track.
- In this context I am very happy that recently Commissioner previously responsible for home affairs - Cecilia Malmström - signed with Turkey readmission agreement, which allowed initiating the Visa liberalization dialogue.
- I believe that this is the right process to tackle visa related issues and I am confident that we will make a 'thorough progress' towards visa free travel of the Turkish citizens travelling to the Schengen area for a short term visit, including service providers.
- Therefore in TiSA, we would expect Turkey to focus on trade related aspects of Mode 4 and move aside from the question of visas. It is in this connection that the EU proposed market access standards in the text.

Outcome of the bilateral meeting of 10 November 2014

- Legislation might be the reason explaining nationality conditions.
- TR promised to be up to the ambition of the Annex on mode 4.
- TR expressed expectations, notably with respect to visa procedures.