

1. How to set up an aviation company in Turkey?

There are certain requirements in terms of aviation company establishment process in Turkey. In this context, a legal person or natural person who wishes to set up an aviation company firstly needs to obtain a preliminary authorisation from the Directorate General of Civil Aviation by fulfilling the conditions determined by the Directorate. The assessment shall also be made by the Directorate considering the applicants capability and national interests of Turkish Civil Aviation. This preliminary authorisation is only given to companies to have enough time to prepare all the documents needed for “operating licence”. However, the time given is limited to six months starting with the delivery of preliminary authorisation. After the collection of documents required, application should be made to the Ministry of Transport, Maritime Affairs and Communications and if it deemed adequate then the operating licence can be issued with the approval of the Ministry.

2. Are foreigners allowed to set up an aviation company in Turkey?

Under the terms of Turkish legislation, foreigners are not allowed to set up an aviation company 100% foreign ownership. It is required by law that, minimum 51% of the shares should belong to Turkish citizens. In addition, majority shareholders must be Turkish, majority board of directors, majority vote rights and control of the company also must be citizens of Republic of Turkey. Furthermore, minimum 51% of the shares need to be in the name of the holder (nominative). Publicly held companies that are traded in Istanbul Stock Exchange or international stock exchanges however, are not required to comply with the regulation regarding 51% nominative shares.

3. What form of company can a foreigner establish?

Air operators which will manage commercial air transportation with aircrafts less than 20 seat capacity shall be established as either Limited Liability Company or Joint Stock Company.

Air operators which will manage commercial air transportation with aircrafts more than 20 seat capacity or companies only choose to cargo carriage as a business field shall be established as Joint Stock Company.

4. What is the regulatory authority for Turkish Civil Aviation activities?

The Ministry of Transport, Maritime Affairs and Communications, and Directorate General of Civil Aviation are the official authorities for Turkish Civil Aviation.

5. Is there any limitation in jurisdiction?

There are limitations concerning age of aircrafts in aviation company fleets. Within this context, aircraft ages for passenger transportation cannot be older than 15 years at the time of their

registration to Turkish Civil Aviation Registry. This age limit increases to 25 years for aircrafts that can be used for the purpose of cargo transportation.

6. How to wet lease an aircraft from Turkish Aviation companies?

According to the Turkish Civil Aviation Act, general wet lease agreements to operate aircraft for commercial transportation, requires the approval of the Directorate General of Civil Aviation. That permit can be valid for maximum 6 months. The application for permit must be made in 30 days before the operation date. In order to obtain the permit, companies should provide all the necessary documents to the Directorate General.

Short term wet lease agreements are not subject to any approval. However, aviation companies that are parties in that short term wet lease agreement need to inform the Directorate General about the agreement. In addition, short term wet lease cannot be longer than 72 hours as flight time per month. In case of a time out, the agreement will be deemed as regular wet lease and become subject to the Directorate General's permit.

7. How can I dry lease an aircraft from Turkey?

Under the Turkish Civil Aviation Regulations, dry leasing agreements, unlike wet leasing agreements, shall be valid for maximum 12 months period. However, it is always possible for aircraft operators to extend the period of dry leasing by notifying the interested party.

In order to sign a dry lease agreement, aircraft operators shall provide the conditions of;

- ✓ Lessor and lessee shall have a valid AOC (air operator certificate)
- ✓ Lessor shall ensure that the aircraft will be delivered to lessee in airworthy condition; and the aircraft is properly registered in accordance with law.

8. What is lessee responsible from in dry lease agreements?

In the course of dry leasing period, lessee is the sole operator of dry leased aircraft and has operational control of the aircraft. Lessee will be responsible for operating dry leased aircraft in accordance and compliance with all laws and regulations relating to the possession, use, operation, or maintenance of the dry leased aircraft. Accordingly, lessee must warrant keeping and maintaining dry leased aircraft in a good and airworthy condition in compliance with all applicable Civil Aviation Legislation 145, EASA Part145 or likewise in this period.

9. Which authority is in charge for the audit of aviation companies?

Independent auditors, authorised by the Directorate General of Civil Aviation, are entitled to audit commercial air transportation companies. Directorate General, however, reserves its rights to control and supervising the independent auditing organization as the supreme authority.

10. What does the audit include?

The independent audit for commercial air transportation companies includes control operations that an aviation company should comply with regarding flight, passenger and cargo safety regulations.