

CHAPTER 8 EXCEPTIONS AND FINAL PROVISIONS

Section A: Exceptions

ARTICLE 8.1: TAXATION

1. For the purposes of this Article, **tax convention** means a convention for the avoidance of double taxation or other international taxation agreement or arrangement in force between the Parties; and taxation measures do not include a “customs duty” as defined in Article 2.2 (Customs Duty) of the Agreement on Trade in Goods as stipulated in Article 1.4.2 (Relation with Other Agreements).
2. Except as provided in this Article and without prejudice to the outcome of negotiations on the agreements to be concluded stipulated in Article 1.4.2 (Relation with Other Agreements), nothing in the Turkey-Korea FTA shall apply to taxation measures.
3.
 - (a) the Turkey-Korea FTA shall only grant rights or impose obligations with respect to taxation measures where corresponding rights or obligations are also granted or imposed under Article III of GATT 1994.
 - (b) Article 2.9 (Duties, Taxes or Other Fees and Charges on Exports) of the Agreement on Trade in Goods shall apply to taxation measures.
4.
 - (a) Nothing in the Turkey-Korea FTA shall affect the rights and obligations of either Party under any tax convention in force between the Parties. In the event of any inconsistency relating to a taxation measure between such tax convention and the Turkey-Korea FTA, the tax convention shall prevail to the extent of the inconsistency. In the case of a tax convention between the Parties, the competent authorities under the tax convention shall have sole responsibility for determining whether any inconsistency exists between the tax convention and the Turkey-Korea FTA.
 - (b) For the purposes of this paragraph, competent authorities are:
 - (i) in the case of Korea, the Deputy Minister for Tax and Customs, Ministry of Strategy and Finance, or his authorised representative; and
 - (ii) in the case of Turkey, the Minister of Finance, or his authorised representative.

ARTICLE 8.2: BALANCE-OF-PAYMENTS EXCEPTIONS

1. Without prejudice to the outcome of negotiations on the agreements to be concluded stipulated in Article 1.4.2 (Relation with Other Agreements), should a Party decide to impose measures for balance-of-payments purposes, it shall do so only in

accordance with its rights and obligations under GATT 1994, including the *Declaration on Trade Measures Taken for Balance of Payments Purposes* (1979 Declaration) and the *Understanding on the Balance of Payments Provisions of the GATT 1994* (BOP Understanding). In adopting such measures, the Party shall immediately consult with the other Party.

2. The Parties shall endeavour to avoid the application of the restrictive measures referred to in paragraph 1.

3. Any restrictive measure adopted or maintained under this Article shall be non-discriminatory.

ARTICLE 8.3: SECURITY EXCEPTIONS

Nothing in the Turkey-Korea FTA shall be construed:

- (a) to require a Party to furnish any information, the disclosure of which it considers contrary to its essential security interests;
- (b) to prevent a Party from taking any action which it considers necessary for the protection of its essential security interests:
 - (i) connected with the production of or trade in arms, munitions or war material or relating to economic activities carried out directly or indirectly for the purpose of provisioning a military establishment;
 - (ii) relating to fissionable and fusionable materials or the materials from which they are derived; or
 - (iii) taken in time of war or other emergency in international relations; or
- (c) to prevent a Party from taking any action in order to carry out its international obligations for the purpose of maintaining international peace and security.

Section B: Final Provisions

ARTICLE 8.4: ENTRY INTO FORCE

1. This Framework Agreement shall be approved by the Parties in accordance with their own procedures.

2. This Framework Agreement shall enter into force on the first day of the second month, following the date of the exchange of the written notifications through diplomatic channels, by which the Parties inform each other that all necessary requirements foreseen

by their domestic legislation for the entry into force of this Framework Agreement have been fulfilled, or on such other date as the Parties may agree.

ARTICLE 8.5: DURATION

1. This Framework Agreement shall be valid indefinitely.
2. Either Party may notify in writing the other Party of its intention to denounce this Framework Agreement.
3. The denunciation shall take effect six months after the notification under paragraph 2.

ARTICLE 8.6: ANNEXES

The Annexes to this Framework Agreement shall form an integral part thereof.

ARTICLE 8.7: CUSTOMS UNIONS AND FREE TRADE AREAS

1. Nothing in this Framework Agreement shall preclude the maintenance or establishment of customs unions, free trade areas or other arrangements between either of the Parties and non-parties, insofar as they do not alter the rights and obligations provided for in this Framework Agreement.
2. On request of a Party, consultations between the Parties shall take place within the Joint Committee concerning agreements establishing or adjusting customs unions or free trade areas and, where required, on other major issues related to the Parties' respective trade policies with non-parties.
3. In case of accession of Turkey to the European Union, the Parties shall enter into consultations on the consequences of the accession.

ARTICLE 8.8: AUTHENTIC TEXTS

This Framework Agreement is drawn up in duplicate in the Turkish, Korean and English languages, each of these texts being equally authentic. In case of divergence, the English text shall prevail.

IN WITNESS WHEREOF the undersigned plenipotentiaries, being duly authorised thereto, have signed this Framework Agreement.

DONE at Ankara, Republic of Turkey, in duplicate, this first day of August two thousand and twelve.

For the Republic of Turkey

Zafer ÇAĞLAYAN
Minister of Economy

For the Republic of Korea

Taeho BARK
Minister for Trade