

AGREEMENT

BETWEEN

THE PORTUGUESE REPUBLIC

AND

THE GOVERNMENT OF THE REPUBLIC OF TURKEY

ON DEFENCE INDUSTRY CO-OPERATION

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PREAMBLE

The Portuguese Republic and the Government of the Republic of Turkey (hereinafter referred to individually as “Party” and collectively as “Parties”),

Guided by the provisions of the Framework Agreement between the Portuguese Republic and the Government of the Republic of Turkey on Military Co-operation, signed in Lisbon, on the 6th of May of 2013;

Emphasizing that the friendship and co-operation relations, which shall be further developed and strengthened on the basis of principles of mutual benefit and equity of rights, shall contribute to the mutual interests of both States, as well as to the peace and security of the world;

Expressing their desire to develop the defence industry co-operation by utilizing their scientific and technical capabilities in the field of military equipment and weapons;

Adhering to the principles of reciprocity and mutual respect,

Have agreed on the following issues:

**ARTICLE I
PURPOSE**

The purpose of this Agreement is to establish co-operation in the field of defence industry between the Parties by improving the defence industry capabilities of the Parties through more effective co-operation in the fields of development, production, procurement, maintenance of defence goods and services, and relevant technical and logistic support.

ARTICLE II

SCOPE

This Agreement covers the basis and the principles of mutual co-operation activities in the field of defence industry between competent authorities and/or defence industry companies of the Parties.

ARTICLE III

DEFINITIONS

For the purposes of this Agreement:

- a) "Defence Industry Goods and Services" means the weapons and military equipment, together with the related logistic support, and the material and service required for research, development and production of these equipments;
- b) "Co-operation" means activities undertaken based on the principle of reciprocity for the purposes of this Agreement by the Parties in accordance with their applicable laws and regulations;
- c) "Official Duty" means the duty to be determined according to this Agreement or other agreements to be concluded on the basis of this Agreement;
- d) "Sending State" means the State that sends personnel, material and equipment to the territory of the Receiving State in line with the purposes of this Agreement;
- e) "Receiving State" means the State receiving personnel, material and equipment sent by the Sending State in its territory for implementation of this Agreement;
- f) "Guest Personnel" means the military and/or civil officials of a Party sent to the territory of the other Party for the implementation of this Agreement;
- g) "Dependants" means the persons who rely on the Guest Personnel as responsible to look after them in accordance with their respective national legislation;

- h) "Third Party" means States, governments and international organizations or other legal persons or representatives of such States, governments and international organizations that can be co-operated with, which are not a Party of this Agreement;
- i) "Quality Assurance" means all activities ensuring the convenience of defence products or services to the requirements of production, performance and usage committed to the procedures, standards, norms and relevant technical specifications agreed between the Parties;
- j) "Classified Information, Document and Material" means any information, document or material regardless of their form or type or method of transmission, which are marked with classification mark and which require due to national security interests and in accordance with national legislation protection against unauthorized access, use or destruction;
- k) "Intellectual and Industrial Property Rights" means all copyright and all rights in relation to inventions (including patent rights), registered and unregistered trademarks (including service marks), registered and unregistered designs, confidential information (including trade secrets and know-how), and circular layouts, and any other rights resulting from intellectual activity in the industrial, scientific, literary and artistic fields recognised by the Parties.

ARTICLE IV

CO-OPERATION FIELDS

The Parties shall co-operate in the following fields mentioned below regarding the defence industry:

- a) Assurance of the appropriate conditions for joint research, development, production and modernisation of spare parts, tools, defence materials, military systems, technical displays and technical equipment required by the Armed Forces of the Parties;
- b) Implementation of the results of joint research, development and production projects in the field of the military equipment on the territories of the Parties;
- c) Research, production and design in the field of defence industry goods and services;

- d) Mutual assistance in the fields of production and procurement of defence industry products and services as well as the modernisation of tools and equipments of both Parties;
- e) Encouraging the conclusion of agreements between relevant departments of the Parties with the aim of joint production and further development of weapons, military technical equipment and their parts;
- f) Sales of finished goods produced through joint projects to Third Parties by mutual agreement and taking into account the national sensitivities of the Parties and their obligations deriving from international law and regulations;
- g) Joint co-operation in selling, purchasing or exchange with other products and services of surplus defence industry products and services in the inventory of the Armed Forces of both Parties;
- h) Encouragement of contacts, technical visits to research centres and personnel exchanges between institutions, companies and industries related to defence of the Parties;
- i) Acquisition by the Parties of the military and defence equipment manufactured or developed jointly in the territory of either Party;
- j) Providing the conditions for joint programs of production, development, technology and modernisation related to the defence industry products of both Parties, and if agreed upon, the defence industry products of the Third Parties;
- k) Implementation of joint research and development projects based on scientific resources in the field of defence industry for the purpose of producing equipments jointly or similarly required by both Parties and conducting these activities within the scope of a Memorandum of Understanding on co-operation in the field of Defence Research, Development and Technology to be signed between the Parties;
- l) Encouraging the conclusion of agreements between the Parties on joint production and development for Third Parties;
- m) Encouragement of conclusion of agreements between the Parties on procurement and production of defence industry products within the framework of this Agreement;

- n) Co-operation between military technical institutions, defence industry companies and maintenance and repair facilities, under the authority of the Parties;
- o) Mutual participation in the defence industry fairs and symposia organized by both Parties.

ARTICLE V

IMPLEMENTATION PRINCIPLES

1. The enforcement and details of implementation of this Agreement shall be defined through complementary and implementation agreements, memoranda of understanding, protocols and arrangements subject to the national legislation of both Parties and pursuant to the provisions of this Agreement.
2. In principle, the Parties shall co-operate only in the fields related to their own defence industries. The inclusion of issues in co-operation that are within the interest of the Third Parties shall be possible through mutual agreement between the Parties.
3. Co-operation shall be established based on the principle of reciprocity, considering the requirements and interests of the Parties.
4. The Parties shall assess and make their decisions by mutual agreement, concerning the invitation of the Third Parties to participate in joint production projects.
5. In case of termination of any complementary and implementation agreements, memoranda of understanding, protocols and arrangements, the Parties shall accept to fulfil all obligations started before the notification of termination. The declaration of the termination of any of these instruments shall be jointly concluded by the Parties and shall also include a list of fulfilled and unfulfilled obligations.
6. Neither Party shall transfer the material, technical information and documents to be donated, sold or co-produced as per this Agreement or complementary and implementation agreements, memoranda of understanding, protocols and arrangements to be made in the context of this Agreement to a Third Party without prior written consent.

ARTICLE VI

RESPONSIBLE AUTHORITIES

The authorities responsible for implementation of this Agreement are:

- For the Portuguese Party, the Ministry of National Defence of the Portuguese Republic;

- For the Turkish Party, the Ministry of National Defence of the Republic of Turkey.

ARTICLE VII

JOINT COMMISSION

1. In order to implement its provisions and reach the goals of this Agreement, the Parties shall establish a Joint Commission (hereinafter referred as "Commission") under the co-chairmanship of the Director-General of Armaments and Defence Infrastructures and National Armaments Director of the Ministry of National Defence of the Portuguese Republic and of the Deputy Undersecretary of Technology and Coordination and National Armaments Director of the Ministry of National Defence of the Republic of Turkey.

2. The Commission shall meet once every two years alternately in the territory of either Party. The Commission shall be invited to the meeting by the head of delegation who is responsible for the organization of the Commission meeting.

3. Both Parties shall be represented on equal basis by the participation of representatives of the Ministry of National Defence of the Portuguese Republic and representatives of the Ministry of National Defence of the Republic of Turkey, not exceeding seven persons per delegation.

4. If necessary, expert personnel from the Armed Forces, Institutions, Companies and Defence Industries from each Party can be involved in the Commission.

5. The activities regarding the Joint Commission Meeting shall be initiated upon the official invitation of the co-chairman of the Receiving State at least three months prior to the proposed date of the meeting.

6. All themes and topics on the Commission agenda shall be determined and coordinated 30 days prior to the Commission meeting. Heads of the delegations shall inform each other on the questions and topics required to be put on the agenda at the Commission Meeting.

7. All decisions made in the Commission shall be taken unanimously.

8. The final reports and statements of the Commission meetings shall be prepared by the Receiving State and, once agreed and approved shall be submitted to the Parties for action.

9. The points of contact which will be responsible for organizing and coordinating the activities of the Commission are:

- Planning and External Affairs Department of the Directorate-General of Armaments and Defence Infrastructures, Ministry of National Defence of the Portuguese Republic,

- Defence Industry Foreign Relations Department, Ministry of National Defence of the Republic of Turkey.

ARTICLE VIII

TASKS OF THE JOINT COMMISSION

In accordance with this Agreement, the duties of the Commission shall be as follows:

a) Determination and definition of concrete areas of co-operation in accordance with the Article IV of this Agreement;

b) Selection of projects, which will be jointly realised, and identification of the most appropriate types and methods of co-operation concerning the implementation of joint projects;

c) Identification and selection of local companies, which could be possible partners of the Parties;

- d) Exchange of information for the purpose of the realisation of the co-operation proposal during the implementation of joint programs;
- e) Presentation of proposals, recommendations and opinions to the respective authorities concerning the participation of the Third Parties in the joint projects;
- f) Ensuring the preparation and publication of necessary documents for realisation of the approved projects and decisions;
- g) To control the realisation of approved projects and decisions regularly;
- h) Assessment of implementation of this Agreement and if necessary negotiation of the proposals regarding the amendments to be made to the Agreement;
- i) The Commission shall settle disputes, resulting from the interpretation and implementation of this Agreement, by negotiations in accordance with Article XIX.

ARTICLE IX

PROTECTION OF INTELLECTUAL AND INDUSTRIAL PROPERTY RIGHTS

1. The rights and obligations of the Parties concerning intellectual and industrial property, production rights within their own territories, release of the production license, sales to the Third Parties and preservation of patents belonging to new products and inventions realised within the framework of joint projects shall be determined through the implementation agreements to be made for each joint project. These agreements shall take into consideration the regulations and international agreements regarding the intellectual and industrial property rights in force in each Party.
2. In these agreements, besides the financial and legal obligations, the principles and procedures concerning the type, place, time and terms of liquidation of mutual debts and credits, due to the expenses resulting from research, development, production, procurement, technical services, personnel support and infrastructure services, shall be specified in detail.
3. Release of the proper material, related to the defence industry, or publication of the mutually exchanged information between the Parties to a Third Party shall only be possible upon the written consent of the Sending Party.

4. The Parties shall respect the intellectual and industrial property rights and other limitations concerning reproduction, duplication, utilization or distribution of all materials, products and information which are released by the other Party on the basis of this Agreement.

5. Commitments established in the Agreement regarding the protection of Intellectual and Industrial Property Rights shall continue to apply even after the termination of this Agreement.

ARTICLE X

PRESERVATION OF CLASSIFIED INFORMATION, DOCUMENT AND MATERIAL

1. The exchange of Classified Information, document and material on Defence Industry shall be regulated by a security agreement between the Portuguese Republic and the Republic of Turkey about mutual protection of classified information.

2. Up to the conclusion of the Security Agreement the terms specified in Article VII of the Framework Agreement between the Portuguese Republic and the Government of the Republic of Turkey on Military Co-operation, signed in Lisbon, on the 6th of May of 2013 and the provisions of the following paragraphs shall be applied.

3. The Parties agree that the following security classification levels are equivalent and correspond to the security classification levels specified in the table below:

<u>PORTUGUESE:</u>	<u>TURKISH:</u>	<u>ENGLISH:</u>
MUITO SECRETO	ÇOK GİZLİ	TOP SECRET
SECRETO	GİZLİ	SECRET
CONFIDENCIAL	ÖZEL	CONFIDENTIAL
RESERVADO	HİZMETE ÖZEL	RESTRICTED

4. Both Parties commit themselves to mark the Classified Information received under this Agreement in compliance with their national security classification levels and with the equivalent markings displayed in the table above.

5. Both Parties shall take all the necessary measures for the protection of the Classified Information generated or transferred following the mutual co-operation in compliance with their national laws and this Agreement and shall also ensure, at least, the same protection

for such information as stipulated for their own Classified Information with an equivalent level of security.

6. Classified Information will be transmitted between the Parties through diplomatic channels or through other channels agreed by the competent security authorities of the Parties.

7. In case of an actual or suspected compromise of the Classified Information or the disclosure of such information to an unauthorized person, the Party where the breach or disclosure occurs or may have occurred shall take all the necessary measures in accordance with its national laws and regulations and shall immediately inform the other Party of this situation as well as of the measures taken and their outcome.

ARTICLE XI QUALITY ASSURANCE

NATO Quality Assurance Publications, standards, methods and procedures shall be adopted, unless otherwise agreed and signed by the Parties on a separate agreement.

ARTICLE XII LEGAL ISSUES

1. Guest Personnel and their Dependants shall be subject to the existing laws and regulations of the Receiving State during their presence in the territory of the Receiving State including their entry, stay and departure.

2. Criminal jurisdiction authority shall belong to the Receiving State.

3. In case that any of the Guest Personnel or their Dependants is detained or arrested, the Receiving State shall promptly inform the Sending State of this situation.

4. In case that any of the Guest Personnel or their Dependants faces a legal investigation or trial in the Receiving State, he or she shall be entitled to all the generally accepted legal protection, which shall be no less than the one enjoyed by the nationals of the Receiving State.

5. The activities of the Guest Personnel could be terminated if they violate the law of the Receiving State.

6. The Sending State shall retain exclusive disciplinary jurisdiction over the Guest Personnel within the territory of the Receiving State. However, the Receiving State may give order to the Guest Personnel under their command as they may be required by the duty.

ARTICLE XIII

ADMINISTRATIVE MATTERS

1. No mission shall be assigned to the Guest Personnel other than the ones specified in this Agreement or to be stated in the complementary and implementation agreements, memoranda of understanding, protocols and arrangements to be signed in accordance with this Agreement.

2. The Sending State's military personnel shall wear its own uniform in its place of duty.

3. The Receiving State shall make necessary efforts to provide the equipment required for carrying out activities defined in this Agreement, where necessary.

ARTICLE XIV

FINANCIAL MATTERS

1. The Sending State shall be liable for the salary, lodging, catering, transportation, per diem and other financial rights of the Guest Personnel assigned for the implementation of co-operation activities under this Agreement.

2. The Receiving State shall decide whether the activities are organized free of charge or at current or reduced charges.

3. The Guest Personnel shall clear their own debts and those of their Dependants when they leave the Receiving State permanently. In case of an emergency withdrawal, the debts of the Guest Personnel and those of their Dependants shall be paid by the Sending State in Euro at the exchange rate used at the date of payment according to the invoice issued by the Receiving State.

4. The Guest Personnel and their Dependants shall be subject to the tax laws prevailing in the Receiving State during their entry, stay and departure.

ARTICLE XV
MISCELLANEOUS MATTERS

1. The Sending State reserves the right to recall its personnel when deemed necessary. The Receiving State shall adopt all the measures for the return of the personnel as soon as the request is received.
2. In case a Guest Personnel or a Dependant dies, the Receiving State shall inform the Sending State, transport the body to the nearest international airport within its territory and adopt appropriate health protection measures until the delivery thereof.

ARTICLE XVI
DAMAGE/LOSS AND INDEMNITIES

1. Each Party shall compensate the other Party for a damage caused to the latter's property resulting from acts of the Guest Personnel, while performing their duties.
2. The laws of the Receiving State shall apply to the settlement of claims for compensation of losses or damages caused intentionally or by negligence to the properties of the Receiving State and the Third Parties.
3. Unless resulted from wilful misconduct or negligence, each Party shall waive all its claims against the other Party for injury or death suffered by any Guest Personnel of its services while such personnel were engaged in the performance of their Official Duties.

ARTICLE XVII
PASSPORT AND CUSTOMS PROCEDURES

1. The Guest Personnel and their Dependents shall be subject to the rules applicable to aliens within the territory of the Receiving State.
2. When entering and leaving the country, the Guest Personnel and their Dependents shall be subject to the customs and passport procedures foreseen in the Receiving State's law. However, the Receiving State shall facilitate administrative formalities in compliance with their legislation.

ARTICLE XVIII
COMMITMENTS OF THE PARTIES ARISING FROM OTHER
INTERNATIONAL AGREEMENTS

The provisions of this Agreement shall not affect the commitments of Parties arising from any other international agreements to which either is a Party and shall not be used against the legality, interests, security and territorial integrity of other States.

ARTICLE XIX
SETTLEMENT OF DISPUTES

Any dispute concerning the implementation or interpretation of this Agreement, not settled by the Joint Commission established as per Article VII, shall be settled through negotiations between the Parties, through diplomatic channels.

ARTICLE XX
AMENDMENTS

1. The present Agreement may be amended upon written request of either Party.
2. The agreed amendments shall enter into force in accordance with the terms specified in Article XXII of this Agreement.

ARTICLE XXI
DURATION AND TERMINATION

1. This Agreement shall remain in force for a period of five years from the date of its entry into force, automatically renewable for successive periods of one year.
2. Either Party may terminate the present Agreement, upon a notification in writing through diplomatic channels, with a minimum of 90 days prior to the expiry of the ongoing period of duration.
3. If no agreement can be reached between the Parties during the amendment of this Agreement or settlement of a dispute, either Party may terminate this Agreement with a prior written notification of 90 days.

4. The termination will enter into force 90 days after the receipt of the notification by the other Party.

5. The termination shall not affect the implementation of any complementary and implementation agreements, memoranda of understanding, protocols and arrangements, project, program or contract determined and initiated before the termination of this Agreement, except if the Parties agree otherwise.

ARTICLE XXII ENTRY INTO FORCE

This Agreement shall enter into force 30 days after the date of the receipt of the latter of the written notifications by which the Parties inform each other, through diplomatic channels, that the internal legal procedures required for the entry into force of the Agreement have been completed.

IN WITNESS WHEREOF the undersigned, being duly authorized by their respective Governments, have signed this Agreement

Done in Ankara, on the 7th of November of 2013, in Portuguese, Turkish and English languages, in two originals, each text being equally authentic. In case of divergence of interpretation, the English text shall prevail.

FOR
THE PORTUGUESE REPUBLIC

José Pedro Aguiar Branco
Minister of National Defence

FOR
THE GOVERNMENT OF THE
REPUBLIC OF TURKEY

İsmet Yılmaz
Minister of National Defence