

# Unit 3

## INVESTING IN

## NORTHERN CYPRUS

In this unit you will

- ▶ learn and practice business vocabulary for investments through the story of a businessman who wants to invest in Northern Cyprus



## Part 1: Investment opportunities in Northern Cyprus

### 1a Class Discussion

1. Which are the leading sectors (önde gelen sektörler) in Northern Cyprus?
2. Which sectors are foreign investors (yabancı yatırımcılar) interested in?

### 1b Check your understanding

Read the following short paragraph about TRNC Economy and answer the questions. Check your glossary for unknown words.

The Economy of Northern Cyprus (Turkish Republic of Northern Cyprus - TRNC) The services sector (69% of GDP in 2007) dominates the TRNC economy. This sector includes public services, trade, tourism and education. Industry (light manufacturing) contributes 22% of GDP and agriculture 9%. The economy operates on a free-market basis.

Adapted from <[http://en.wikipedia.org/wiki/Economy\\_of\\_Northern\\_Cyprus](http://en.wikipedia.org/wiki/Economy_of_Northern_Cyprus)>

1. Which sector is the strongest?
2. Which sector is the weakest?
3. Does the government set the prices in TRNC?

### 1c Check the meaning

Work with your partner to check the meanings of the following phrases and write them down:

**investment opportunity:**  
**business environment:**  
**investment incentive:**  
**local investor:**  
**economic advantage:**  
**high degree of priority:**  
**special interest tourism:**

**potential investor:**  
**supportive government policy:**  
**foreign investor:**  
**fast growing economy:**  
**leading sector:**  
**eco-tourism:**  
**health tourism:**  
**yacht tourism:**



### 1d Read and answer

John lives in London but he also has property (emlak) and connections (bağlantılar) in Northern Cyprus. He is reading something interesting in the newspaper about Northern Cyprus. Answer the following questions as you read the text.

#### Investment Opportunities in North Cyprus

Northern Cyprus has a supportive government policy for both local and foreign investors and investments. Northern Cyprus offers a great business environment. The country offers generous investment incentives to direct investments. Northern Cyprus has a small but fast growing economy. This is an economic advantage for potential investors. Tourism is one of the leading sectors in Northern Cyprus and the government places a high degree of priority to the development of this sector, especially eco-tourism, special interest tourism, health tourism, conference tourism, and yacht tourism.

Adapted from <<http://www.investinnorthcyprus.org/reasoninvestdown.html>>

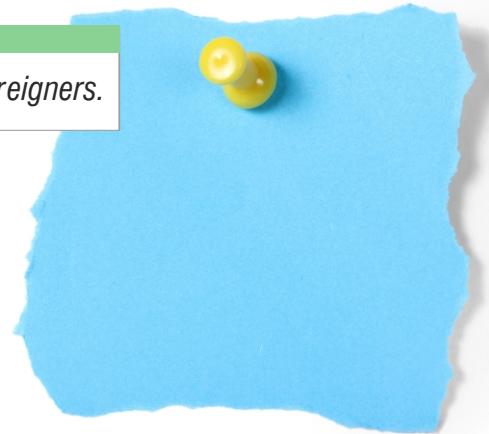
1. Write down 3 reasons why a foreign investor should invest in Northern Cyprus.
  - 1.
  - 2.
  - 3.
2. What kind of tourism does Northern Cyprus want to develop?



## Part 2: Investment idea

### 2a Class Discussion

First in pairs and then as whole class, brainstorm for investment ideas for foreigners.



### 2b Check your understanding

John has an old friend in Cyprus. His name is Ahmet. John sent the following e-mail to Ahmet and Ahmet replied. Read the two e-mails and answer the questions:

1. Why did John write to Ahmet?
2. What did John's father own in Northern Cyprus?
3. Is Ahmet interested in John's business ideas?
4. When are they going to talk on the phone?

To ahmetramadan@yahoo.com

Hello Ahmet

Dear Ahmet,

I hope you and your family are well. It's been a long time since we last spoke. I'm coming to Cyprus next month for business.

As you know my father had a huge piece of land with olive trees in Kyrenia. I'm planning to invest in Northern Cyprus and I'd like to talk to you about this. Could you please let me know which day and time is good for you this week and I'll call you.

Kind regards,

John

Send

### 2c Discuss with your partner

Which of the two e-mails is more formal? Why?

To johndrumm@gmail.com

Re Hello Ahmet

Hi John,

Good to hear from you. I'd love to hear more about your investment plans.

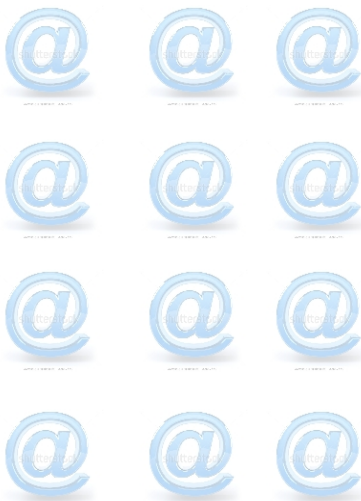
You can call me anyday this week after 19:00 Cyprus time.

Best wishes,

Ahmet 😊

### 2d Write

You are John. Work with your partner and send an informal reply to Ahmet. Thank him for his reply and tell him when and what time you will call.



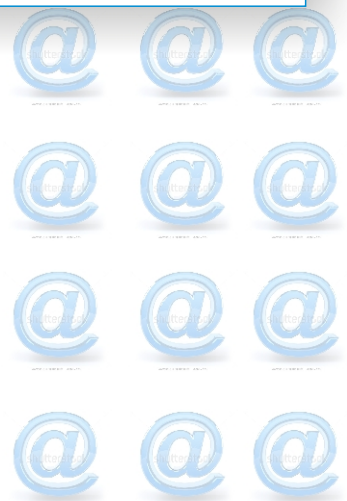
To

---

John

Send

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## 2e Match

Match the underlined words and phrases in the following sentences with their Turkish equivalents.

1. She came into a lot of money after her rich husband passed away.
2. My family has two donums of land in Karpaz.
3. My father is in construction business. He builds houses.
4. I cannot decide on my own. I should talk to my business partner.
5. I bought my plane ticket in a travel agency.
6. He is a liar, I don't trust him.
7. Lemar expanded its supermarket chain.

**iş ortağı**  
**seyahat acentesi**  
**güvenmek**  
**genişletmek; genişlemek**  
**arazi**  
**vefat etmek**  
**inşaat işi**

## 2f Match

John and Ahmet are talking on the phone. Complete the conversation with Ahmet's lines on the right.



Hello Ahmet, how are you?

1. ....

We're doing really well my friend.

2. ....

Well, you know my father passed away last year and I've been thinking about what to do with that land in Kyrenia. Then I read about the investment opportunities in Northern Cyprus. I'm thinking of investing in tourism.

3. ....

Are you still in construction business?

4. ....

I'm glad to hear that. I'll cut it short Ahmet. I want us to be business partners. I have the travel agency here and you have the construction business there. I think this will be a great partnership.

5. ....

Well, Ahmet we've known each other for many years now and you know that I trust you.

6. ....

No problems, Ahmet. I'll be in Cyprus in 2 weeks. You think about it and we'll speak when I get there.

7. ....

Thanks Ahmet. Great to talk to you.

8. ....

Cheers Ahmet!



a. Thanks John but I think I need some time to think and also we should talk face to face.

b. Oh, that's very interesting.

c. I'm great John, how about you and Tracy?

d. Thanks John. Talk to you soon. Bye.

e. Yes, and we have expanded the business.

f. OK John. I'll e-mail you some information to read before you come.

g. Great to hear your voice. So tell me all about your plans.

h. Gee! That sounds big.

### Useful phrases for conversations

I'm great / I'm doing (really) well: çok iyiyim

How about you?: peki sen?

I'm glad to hear that: Bunu duyduğuma memnun oldum

I'll cut it short: Kısa keseceğim; konuyu uzatmayacağım

No problems: birşey değil; sorun değil

Great to talk to you: seninle konuşmak çok güzeldi

Gee!: vay canına!

Cheers!: teşekkürler; hoşçakal (telefonda)

Oh that's very interesting: a bu çok ilginç!

## Part 3: Information about Northern Cyprus

### 3a Class discussion

Ahmet sent John a document about the money and banking system in Northern Cyprus. Discuss the following questions before you read the text.

1. What banks and exchange offices (döviz bürosu) do you know in Northern Cyprus?
2. What do exchange offices do?
3. What is an offshore bank?

To johndrumm@gmail.com

Documents

Hey John, I'm attaching some documents for you to read.

Cheers, Ahmet

### 3b Match

Read the following text and match the **highlighted words** with their Turkish equivalents.

#### Money and Banking in Northern Cyprus (TRNC)

The **official currency** in the TRNC is Turkish Lira (TL). Real persons and corporate bodies are free to keep and use foreign **currency**. Banks can also do transactions in **foreign** currency. The official **exchange rates** are fixed and announced daily by the Central Bank (Merkez Bankası). Banks, foreign exchange offices, and the Central Bank are free to fix different exchange rates for buying and selling foreign currency. There is a developed banking system in the TRNC. In addition to the Central Bank and the Development Bank (Kalkınma Bankası), there are 24 **commercial banks** and 14 offshore banks. The Banking sector grew 114% from 2006 to 2011. TRNC Development Bank is a member of Association of Development Financing Institutions in Asia and the Pacific (ADFIAP).

Source: TRNC State Planning Office

ticari banka  
resmi para birimi  
işlem  
döviz kuru  
döviz

### 3c Class discussion

What is the difference between the Central Bank, Development Bank, and commercial banks?

### 3d Complete

Work with your partner and complete the following Fact Sheet for 'Money and Banking in Northern Cyprus'.

<b>Official Currency</b>	
<b>Authority responsible for fixing exchange rates</b>	
<b>Other institutions that can fix exchange rates</b>	
<b>Number of...</b>	24
	14
<b>Growth of the banking sector between 2006 and 2011</b>	
	member of ADFIAP

## Part 4: Registering a Company in Northern Cyprus

### 4a Check the meaning

Check the meanings of the following words in your glossary.

proposal registered foreign capital share shareholder amount character certificate representative office

### 4b Read and answer

Ahmet and John exchanged the following e-mails. Work with your partner to answer the following questions:

1. What is Ahmet's decision?
2. Who will help Ahmet and John to register the company?
3. What are the two things John must do?
4. How much (in US dollar) is John's share going to be?
5. What names does John have in his mind for the company?



To johndrumm@gmail.com

Partnership

Hi John,

I've tthought about your proposal and I agree that we can have a great partnership. Our accountant will start working on this if you're ready. There are a few things you should do.

In Northern Cyprus companies are generally registered as Limited Company. For companies with foreign capital the minimum capital amount is 100,000 USD, and your share can be maximum 49%. As the foreign shareholder you must open a local bank account for your share.

You should also bring a Character Certificate. Contact the TRNC London representative Office to ask about this. Their website is [www.trnclondon.com](http://www.trnclondon.com)

We should also think of names for the company. Do you have any ideas?

Ahmet

To ahmetramadan@yahoo.com

Re: Partnership

Hello Ahmet,

What great news!

49% share is fine, and I'll come prepared to open a bank account there. I'll contact the TRNC representative office today. Thank you for the website.

I've thought of two names. I like the first one best. Olive Tree Holiday Village and Nature Holidays.

Talk to you soon  
John





## Part 5: Arriving in North Cyprus

### 5a Class discussion

What kind of things can you take into or out of North Cyprus when travelling?

### 5b Check the meaning

Check the meanings of the following words and phrases in your glossary.

customs regulations      declare      commercial value  
 tax refund      duty free      non-commercial goods      taxable



### 5c Fill in the gaps

Fill in the gaps with the above words.

1. Customer officer: Do you have anything to .....
2. .... are goods that are not for sale.
3. Different countries might have different .....
4. Your used clothing has no .....
5. He received a ..... for his new mobile phone at the airport in Istanbul.
6. You don't pay tax for ..... items.
7. Commercial goods are .....

### Customs Regulations

#### What to declare

- a) Anything that was bought outside the country
- b) Any good that has commercial value, with tax unpaid or tax refunded
- c) Anything that could not be carried before its tax paid

#### Amount of money allowed

While entering or leaving the country, the amount of money that a passenger can carry freely is maximum 10,000 USD or equivalent in other currency.

#### Duty free items

While entering the country, duty free rights of the passengers are as follows:

400 cigarettes or 500 gr tobacco

Alcoholic drinks 150 cl

Perfume and lotions 100 cl

Non-commercial goods worth \$75 are free. Over \$75 is taxable

Adapted from  
<https://www.sunrentacar.com/northiscyprus/north-cyprus-regulations.php>

### 5d True or False

Decide if the following statements are True or False according to Customs Regulations.

1. You must declare anything you bought overseas without paying the tax.
2. You can take 20,000 USD out of the country.
3. You can bring 9,000 USD to the country.
4. You must pay duty if you bring more than 400 cigarettes into the country.
5. You cannot bring tobacco into the country.
6. If you bring a present bought for 90 USD, you must pay tax for it.

### 5e Answer the questions

John's plane has landed. Read the short paragraph and answer the questions.

After a 4-hour flight John's plane landed in Northern Cyprus. After he got off the plane, he went through the passport control. He had a small carry-on luggage so he did not have to go to baggage claim. He walked straight through the 'Nothing to Declare' part of the customs. Ahmet was waiting outside. He took John to his hotel and they agreed to meet the next day.

1. How long was the flight?
2. Why did John not go to baggage claim?
3. Did he have anything to declare?
4. What do you think he has in his luggage?

## Part 6: Setting up the company

### 6a Fill in the blanks

Ahmet picked up John from his hotel and he is driving to Turkish Bank. They're talking on the way. Fill in the missing words.

**Ahmet** Hope you had a good..... (1)  
**John** Yes, I slept really well.  
**Ahmet** Good. We'll go to the bank first to open your .....(2) We should get a **Certificate of Deposit**. The we'll go to see Mustafa, my company's ..... (3) is waiting for us. He'll tell us what to do to start the ..... (4) He's saying that this is going to be easy.  
**John** Great .....(5!)  
**Ahmet** Oh, I hope you have your ..... (6) on you  
**John** Yes, I do.



accountant      passport  
 account      rest      company  
                          news

### 6b Read and find out

Read the conversation between Ahmet, John and Mustafa, the accountant and answer the questions.

**Ahmet** John, this is our accountant Mustafa.  
**John** Hello Mustafa.  
**Mustafa** Hello John, pleased to meet you.  
**John** Pleased to meet you too.  
**Ahmet** Mustafa could you tell us where we are at?  
 Well, I've filled in the M.S. 1,2,3 forms for you. I also went to the Registrar and found out that 'Olive Tree Holiday Village' is unfortunately already registered but Nature Holidays is available.  
**John** Nature Holidays it is then!  
**Ahmet** Good! What else do we need to do?  
**Mustafa** I need your ID card, John's passport, and also your character certificates.  
**Ahmet** We've got them here.  
**Mustafa** Have you opened the bank account for your share John?  
**John** Yes, we did this morning.  
**Mustafa** Good, I need the Certificate of Deposit.  
**John** Here it is.  
**Mustafa** Great! Now we need to go to the Tax Office and get a Certificate of Tax Payment Guarantee for you two. I'll take care of the rest. I'll submit all your documents to the Official Receiver and Registrar to register the Company.  
**John** Thank you very much Mustafa. You make it so very easy.  
**Mustafa** That's my job.

#### Official names of some documents and offices

Certificate of Deposit : mevduat sertifikası  
 Official Receiver and Registrar: Resmi Kabz Memurluğu ve Mukayyitlik Dairesi (KKTC için)  
 Certificate of Tax Payment Guarantee: vergi güvenirlik belgesi  
 Character Certificate: Karakter Belgesi

1. What are the necessary forms to fill in when registering a company?
2. Why can't they have Olive Tree Holiday Village as their company name?
3. What other documents do they need for the registration?
4. Which Office is responsible for registering companies?
5. What else should John and Ahmet do?



## Revision: Puzzle Time!

### Word Search Puzzle

Find the English equivalents for the following Turkish words in the Word Search puzzle:

P	H	A	R	M	A	C	E	U	T	I	C	A	L	S	N
E	Q	C	J	P	N	D	B	N	I	E	L	T	X	O	N
C	R	I	N	G	A	L	N	N	R	B	M	R	I	G	Q
O	E	T	L	R	G	L	V	U	T	K	G	T	V	X	M
N	N	R	T	V	A	E	T	Q	Z	R	C	T	L	R	G
O	T	U	Z	N	S	L	I	W	N	U	O	Z	V	P	B
M	R	S	D	T	U	E	N	N	R	X	D	P	X	R	N
Y	A	N	M	C	Z	T	G	T	C	Z	D	Q	X	Y	T
N	P	E	I	T	Q	M	S	N	M	E	V	D	B	E	J
R	N	R	R	T	R	N	D	D	A	X	N	Z	D	Q	T
T	G	R	N	Y	O	N	N	M	Z	H	D	T	N	V	R
A	N	L	D	C	A	J	G	N	R	M	C	Y	I	R	D
N	N	W	R	P	J	T	L	V	M	Q	G	X	P	V	W
J	J	Q	X	Z	R	T	N	W	Q	L	M	N	E	Y	E
Q	R	E	Y	L	L	L	P	N	Z	T	Q	J	N	P	G



### Crossword Puzzle

Ahmet picked up John from his hotel and he is driving to Turkish Bank. They're talking on the way. Fill in the missing words.

#### ACROSS

- Customs charge tax on items with ..... value of more than 75 USD.
- Businesses with ..... capital have foreign shareholders.
- You must trust each other in a business .....
- When the business went bad, the company had to ..... bankruptcy (iflas).
- According to TRNC customs ..... you can have only 10,000 USD on you when arriving and leaving the country.
- A ..... is someone who has a share in a company.

#### DOWN

- You must open a local bank account and get a certificate of .....
- The official ..... of the United States of America is the US dollar.
- A character ..... shows that the person has no criminal record (sabıka kaydı).
- Your personal belongings are ..... when entering the TRNC.

