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REPUBLIC OF TURKEY MAKES FINAL PAYMENT FOR A HALF-MILLION DOLLARS IN BACK TAXES SETTLEMENT TWO MONTHS AHEAD OF SCHEDULE

Gesture Affirms Good Will Between the City and the Diplomatic Community and Shows Willingness of Countries to Make Proactive Efforts to Settle Back Tax Issues

Commissioner Marjorie B. Tiven of the City's Commission for the United Nations, Consular Corps and Protocol, along with Commissioner of Finance Martha E. Stark and Corporation Counsel Michael A. Cardozo of the New York City Law Department, announced today that the Republic of Turkey has made its final \$550,000 payment in settlement of its real estate tax arrears -- two months earlier than Turkey had previously agreed upon.

Under a settlement agreement the country had entered into with the City on Sept. 30, 2003, Turkey had until Feb. 15, 2004 to make the final payment. However, in a gesture of good will towards the City, the Republic of Turkey voluntarily paid the amount earlier than required.

Commissioner Tiven stated, "Turkey has shown that it is a good neighbor and a law-abiding resident of the City. We are very pleased that it has fulfilled its final settlement obligations ahead of time. We appreciate very much the good will Turkey has shown by making this early payment."

Commissioner Stark stated, "I want to thank the Republic of Turkey for making this early payment, which again demonstrates Turkey's commitment to play by the rules and contribute its fair share to New York City."

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Corporation Counsel Michael Cardozo said, "Turkey's payment indicates to us its willingness to work in harmony with the people of this City, and to contribute to the financial health of the City. I call upon other foreign governments who have not yet paid their City real estate taxes, to follow Turkey's lead and to make their tax payments to the City." He further stated that because the final payment represented Turkey's sole remaining obligation under the settlement agreement, the City's Law Department would officially discontinue its lawsuit.

In April 2003, the City sued the Republic of Turkey to collect the tax arrears on property that Turkey primarily used to house its mission to the United Nations and its consular offices. The parties reached a settlement in September 2003 whereby Turkey agreed to pay \$5.05 million in real estate taxes and interest, which included the final \$550,000 payment.

Three other real estate tax cases against the governments of the Philippines, India and Mongolia remain active.

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