

## TAX NEWS NO: 2012/7

December 24, 2012



**Subject:**

**Leasing, Factoring and Financing Companies Law has been published in the Official Gazette.**

Leasing, Factoring and Financing Companies Law (No. 6361) has been published in the Official Gazette dated 13 December 2012.

Beforehand, the foundation and activities of the financial leasing companies were regulated by the Financial Leasing Law numbered 3226 while the foundation and activities of factoring and financial companies were regulated by the Decree Law for Money Lending Transactions numbered 90.

With the entry into force of this law, leasing, factoring and financing companies and operating principles of the organization, financial leasing, factoring and financing agreements with their principles and procedures are regulated under an umbrella of a single law..

Certain important regulations introduced can be summarized as follows:

**1. Minimum paid-in capital requirement has been raised to 20 million TL**

Minimum paid-in capital requirement for financial leasing, factoring and financing companies to be established shall be at least TL 20 million. Companies that are already established, should increase their minimum paid-in capital as of December 13, 2015 (within 3 years) at the latest.

## **2. Leasing companies are now allowed to engage in operational leasing**

Leasing companies have been permitted to carry out operational leases. On the other hand, the provisions regarding financial leasing transactions of the Law shall not be applicable to operational leasing transactions carried out by financial leasing companies.

## **3. Leasing companies are now allowed to lend cash loans**

Financial leasing companies, within the framework of their agreements with customers and as part of the transactions carried out under the concerning agreements, may provide cash loans to customers at an amount not exceeding one per cent of the total paid-in capital.

## **4. Sale and leaseback transactions are now allowed**

The new law has enabled financial leasing of the assets not only from third parties but also from the lessee. By this way, sell - lease back system which is a widely preferred financing method in many countries has been adopted.

For instance, a cash-strapped company can sell its real estate to a financial company and lease it back afterwards.

## **5. Stamp duty and fee exemption**

The new law also has clarified the issue of stamp duty and fee exemption. According to the regulation;

- financial leasing agreements as well as the papers related to the transfer and amendment of these agreements shall be exempt from stamp duty,
- papers issued for their guarantee shall be exempt from stamp duty,
- the transactions to be carried out in connection with these papers shall be exempt from fee.

## **6. Reproduced copies of computer software could be made subject of leasing**

In order to address the practical needs arising from the application, in addition to movable and immovable property, reproduced copies of computer software can now be subject to leasing except for the intellectual and industrial rights such as patents.

Yours sincerely,  
Deloitte Turkey

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