

Checklist: How to Establish a Company in Turkey

*Finding the right path to
improve your business*



Foreign
Investment
Procedures
and
Related
Documentation

May 2006

Contents

Preface	1
1. Introduction	2
2. Formation of a Company in Turkey	3
General Definitions	
Documents Required for Formation	
Other Document Required After the Formation (if necessary)	
Road Map of Establishing a Company in Turkey	
Sample Documents	
3. Formation of a Liaison Office	25
General Definitions	
Documents Required for Formation	
Application Memorandum for Formation	
Sample Documents	
4. Formation of a Branch	30
General Definitions	
Documents Required for Formation	
Other Document Required After the Formation (if necessary)	
Sample Documents	
5. Investing in an Existing Company	38
General Definitions	
Documents Required for Participation	
Sample Documents	
6. Financial Investment in Stock Market	41

Preface

The purpose of this booklet is to assist foreign investors who wish to invest in Turkey. Even though, the regulations which govern foreign investments in Turkey (i.e. the Foreign Direct Investment Law - Law No. 4875), are intended to encourage the foreign investments, protect the rights of foreign investors and replace the screening and approval process with a notification system. Our experience shows us that there is still a need for a guide to the procedure and documentation involved.

This booklet consists of five main sections which explain formation processes, the relevant regulations and include all the sample documents required for formation:

1. Formation of a Limited Liability Company and Corporation in Turkey
2. Formation of a Liaison Office in Turkey
3. Formation of a Branch in Turkey
4. Investing in an Existing Turkish Company
5. Financial Investments in Stock Market

The information in this booklet is updated as of May 2006. Each year, the Government may publish new regulations which directly affect the investment procedures. Investors are advised to consult their local financial advisors about the most recent changes in rules and regulations.

1. Introduction

The purpose of the changes made in the Turkish Foreign Investment Regulations in June 2003, of which we summarize some important points in this booklet, are to encourage real persons and legal entities resident abroad to invest in Turkey, to engage in commercial activities, to participate in corporations, to purchase shares, to open branch offices and to establish liaison offices.

According to the Turkish Foreign Investment Regulations foreign investors have the same rights as the Turkish nationals and Turkish legal entities, except for the establishment of liaison offices which is subject to the approval of the Undersecretariat of Treasury.

A company having a legal entity with foreign capital in Turkey has also the same rights to own or use land as domestic investors. However foreign real persons may acquire real estates according to the principles of reciprocity.

Foreign Capital can be brought into Turkey in the forms of:

- Any convertible foreign currency,
- Machinery, equipment, tools and the like approved by the Foreign Investment Directorate (FID),
- Payments under licence, technical assistance, know-how, management and loan agreements,
- Returns (profits, dividends, liquidation or sale proceeds etc.) derived from another investment in Turkey,
- Funds otherwise accrued to real persons or legal entities resident abroad.

The foreign investors are required to bring the minimum capital as required for the Turkish citizens in accordance with the Turkish Commercial Code; accordingly the minimum capital amounts required in the case of limited liability companies and corporations are NTL 5.000 and NTL 50.000 respectively. The minimum capital requirement of USD 50.000 per each foreign shareholder has been abolished.

If there is any dispute arising from investment agreement, foreign investors can either apply to the authorized local courts or to the national or international arbitration.

Under the new regime foreign investors are allowed to establish any form of company defined in Turkish Commercial Code. Requirement of establishing either a limited liability company or joint stock company no longer exists.

2. Formation of a Company in Turkey

2.1. General Definitions

2.1.1. Corporations

- Can be established with a minimum of five shareholders
- Can be formed with a minimum capital of NTL 50.000; The foreign investors are required to bring the minimum capital required for the Turkish citizens in accordance with the Turkish Commercial Code.
- Have its capital divided into shares and each shareholder's liability is limited to par value of his share capital amount that he has contributed to for the unpaid public debts. Share certificates may be in bearer or registered form.
- Can engage in any type of commercial and industrial activity allowed by Turkish Laws. However, depending on their activity some corporation may require permission from the Ministry of Industry and Commerce

2.1.2. Limited Liability Companies

- Can be established with a minimum of two real persons or legal entities and a maximum of fifty.
- The partners of LLC are held responsible to pay the unpaid public debts and liabilities in proportion to their individual share percentage in the capital as a result of a conflict.
- Can be formed with a minimum capital requirement NTL 5.000. Each shareholder may contribute different amounts of capital provided that they commit a minimum of NTL 25 or multiples thereof. In the case of limited liability companies, as in corporation, the foreign investors are required to bring the minimum capital required for the Turkish citizens in accordance with the Turkish Commercial Code.

2.2. Documents Required for Formation

- A petition to Trade Registration Office (Sample 1)
- 5 copies of Establishment Statement to Ministry of Chamber of Commerce (Sample 2)
- 3 copies of notarised articles of incorporation (Sample 3,4)
- Signature declaration(s) of person(s) authorised to represent the company (2 copies) (Sample 5)
- Letter of commitment prepared in accordance with Trade Registry Regulation Article No:29 (Sample 6)
- Originals of bank receipts indicating that 4/10.000 of the amount of the paid in capital of company, is paid to bank account of Competition Council at Ziraat Bank Bilkent Plaza Branch Account No: 5383761-5016
- For real person resident abroad: The copy of passport (apostilled) (2 copies)
- For legal entities resident abroad: Certificate of Activity apostilled and approved by Turkish consulate or prepared in accordance with the Convention Abolishing the Requirement of Legalisation for Foreign Public Documents within the Framework of the Hague Conference on Private International Law by the Chamber of Industry and/or Commerce or an authorized court. (original and a copy of notarised Turkish translation)

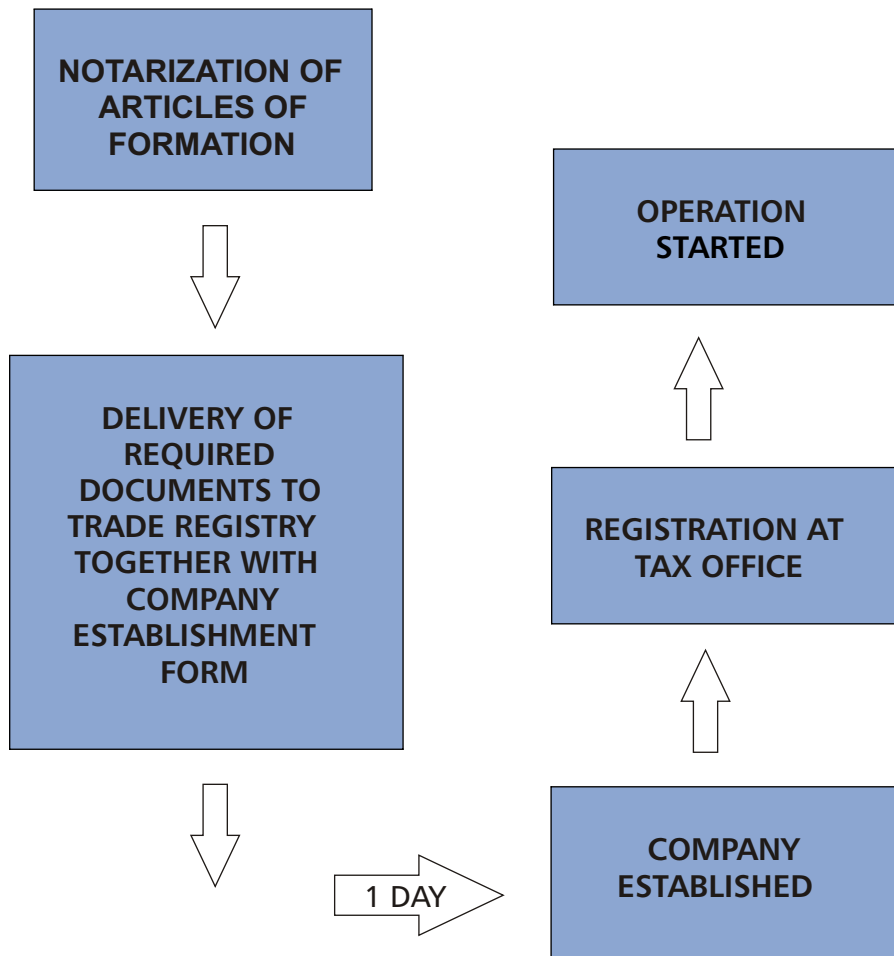
- The letter of Ministry of Industry and Commerce given permission to establish company. According to the Law No.4884 Article No:2 and the Turkish Commercial Code Article No: 273 the establishments of banks, private finance institutions, insurance companies, leasing companies, factoring companies, holding companies, foreign exchange offices and retails, governed by the Law of Capital Market, requires the letter of permission to be provided by the Ministry of Industry and Commerce.

2.3. Other Documents Required After the Formation (If necessary)

Companies which are subject to the provisions of the Foreign Investment Law have to make the following declarations to the General Directorate of Foreign Investment;

- Information regarding the capital and operations of the company by means of the “FDI Form for Operations” (Sample 7), on annual basis every year until the end of May,
- Information regarding the payments made to the share capital accounts of the company by means of the “FDI Capital Data Form” (Sample 8), within 1 month following each payment,
- Information regarding the share transfers made by domestic or foreign shareholders among each other or made to any domestic or foreign investor outside the company, by means of the “FDI Share Transfer Data Form” (Sample 9), within 1 month following the share transfer.

2.4. Road Map of Establishing a Company in Turkey



2.5. Sample Documents

Sample 1

To TRADE REGISTRY OF..... (Province where the firm is established)

The company called, which I try to establish in accordance with the articles of the Turkish Commercial Code, is demanded to publicize and to approve with registration.

Tax office:

Phone No:

Stamp
(The company's name)

**Responsible person on behalf of the
company
(Signature)**

Sample 2

**APPLICATION FORM TO BE FILLED FOR THE ESTABLISHMENT OF A COMPANY ,
BRANCH OR PARTICIPATING IN TO AN EXISTING COMPANY***

1- INFORMATION ABOUT FOREIGN PARTNER

1.1 Name or Company Title
1.2. Nationality
1.3. Address
1.4. Telephone number
1.5. Telefax number
1.6. Fields of activity in the country of origin
1.7. Name, address, telephone and telefax numbers of reference banks, etc.,

2-INFORMATION ABOUT LOCAL PARTNERS

2.1. Name or Company Title
2.2. Address
2.3. Telephone number
2.4. Telefax number
2.5. Fields of activities

Note: Information above should be filled for each partner seperately.

3-INFORMATION ABOUT THE COMPANY TO BE ESTABLISHED OR PARTICIPATED IN

3.1. Status of the company:

Joint Stock Company ----- Limited Company-----Branch -----

3.2. Establishment type

New establishment-----Participation to existing company-----

3.3. Place of establishment (Head Office):

3.4. In the case of participating into an existing company, that company's:

Title :

Address, telephone and telefax numbers:

3.5. Capital structure of the company/branch to be established or capital structure of the existing company to be participated in

	Partner Name	Country	Participation Rate (%)	Participation amount (NTL Million)
a) Foreign Partners				
b) Local Partners				
TOTAL				

Note: If the foreign partner participates in an existing company, two tables demonstrating the capital structure before and after participation should be prepared.

3.6. Field of activity (to be explained in detail):

3.7. Type of foreign capital

Capital in cash -----

Capital in kind-----

Other (to be explained)-----

3.8. The number of personnel to be employed

Local ----- Foreign-----

3.9. Technical and legal authority of application:

Name:

Address:

Telephone number:

Telefax number:

*These forms can be copied to be used for the applications.

TOTAL INVESTMENT AND ITS DISTRIBUTION WITHIN YEARS

(This form is to be completed if a physical investment is made)

	GRAND TOTAL		DISTRIBUTION ACCORDING TO YEARS			
	Local Curr.	Foreign Curr.	Local Curr. Total	Foreign Curr. Total	.Local Curr. 20--.	Foreign Curr 20--.
Investment Expenditure (NTL.)						
Total						
1. Survey and Project Exp.						
2. Land Purchase						
3. Build and Construction Facilities						
a) Main Plant Buildings						
b) Auxiliary Operating Buildings						
c) Social Buildings						
4. Machinery and Equipment						
a) Local						
b) Import (FOB NTL)						
5. Custom Duties and Charges						
6. Auxiliary Plant Machine and Equipment						
a) Water						
b) Electricity						
c) Fuel						
d) Others (Steam etc.)						
7. Other Investment Expenditures						
a) Freight and Insurance						
b) Inbound and Outbound Transport. and Insurance						
c) Installation						
d) Transport Vehicles						
e) Start up Expenses						
f) General Expenses						
g) Unexpected Expenses						
h) Interests at Investment Stage						
TOTAL FIXED INVESTMENT						
8. Working Capital						

TOTAL INVESTMENT

(This form is to be completed if a physical investment is made.)

FINANCING THE INVESTMENT

	Year			
Resources	20--	20--	20--	Total
1. Equities				
a) Capital				
b) Company Funds (for existing companies)				
2. Foreign Resources				
a) Medium and Long Term Credits				
-Local Credits				
-Foreign Credits				
b) Short Term Credits				
3. Custom Exemption				

TOTAL FINANCING

NOTE: In order to benefit from incentive measures, a feasibility report as specified in incentive legislation has to be prepared in accordance with the incentive legislation..

Sample 3

SPECIMEN ARTICLES OF FORMATION OF A LIMITED LIABILITY COMPANY (i.e. LTD)

FORMATION

Article 1: A Limited Liability Company has been established by and between the founders whose names and domiciles and nationalities are shown below under the provisions of Article 503 and the following Articles of the Turkish Commercial Code:

- 1.
- 2.

TITLE

Article 2: The name of the Company is "". This name shall be referred to as the "Company" in the following Articles..

AIMS AND OBJECTS

Article 3: The objects, purposes and fields of endeavour of the Company are;

- i) To carry on foreign trading (Export, Import and Offshore), purchasing and selling, wholesaling, agency business and brokerage relating to such commodities as:
 - *ferrous and non-ferrous metals and their raw materials and manufactured goods, and minerals,*
 - *coal, petroleum, natural gas, other fuels and their by-products,*
 - *all kind of machines and appliances, equipment rolling stock and vehicles, ships and boats, aerospace equipment and aircraft and parts for the foregoing,*
 - *all kinds of chemical products, salt, fertilisers, pharmaceuticals, radio isotope, toilet preparations and their raw materials,*
 - *cereals, sugar, oils and fats, feed and their raw materials, livestock, agricultural, dairy and marine products, processed foods, alcoholic beverage and other foodstuff and drinks,*
 - *all kinds of textile products and their raw materials,*
 - *all kinds of natural and synthetic fur products and raw fur,*
 - *lumber, cement and other building materials,*
 - *rubber, pulp, paper and their manufactured goods; tobacco, cigars, cigarettes and sundry goods,*
 - *industrial water and drinking water,*
- ii) To carry on business as contractor, designer, administrator and supervisor for various construction works,
- iii) To finance or assist in financing the purchase and sales of goods or commodities of every kind by way of hire purchase, deferred payment, guaranteeing or becoming liable for the payment of money or for the performance of any obligation of third party.
- iv) To conduct or have conducted on its behalf or for third parties feasibility studies, analyses, research and other technical and/or commercial surveys and studies, including collecting and furnishing information on tendencies of market and clients in Turkey for its associated or affiliated company.
- v) To enter into agreements for licensing, know-how and technology transfer, and technical assistance relating to its fields of endeavour,

- vi) To own, hold all types of immovable and movable property in accordance with its objects and purposes.
- vii) To take and accept or issue mortgages, hypothecates; to borrow, to contract for loans and enter into credit agreements for any of the foregoing purposes, on long or short term; to draw, accept, endorse, execute and issue negotiable instruments.
- viii) To invest in, to purchase and to sell negotiable instruments such as treasury bills, government bonds or notes, without acting as an intermediary.
- ix) To conduct all commercial, industrial and financial transactions which are deemed necessary or useful in the pursuit of the objects and purposes herein enumerated.

HEAD OFFICE AND BRANCHES

Article 4: The Head Office of the Company is in The Company may establish branches in Turkey and abroad by notifying the Ministry of Industry and Commerce.

TERM

Article 5: The Company has been formed for a duration of years.

CAPITAL

Article 6: The capital of the Company is NTL..... This capital is composed of..... shareholdings each having nominal value of NTL..... . The total capital of the Company has been subscribed in cash by virtue of the Partners as follows.

- i) NTL representing shareholdings by.....
- ii) NTL representing shareholdings by.....

* 25% company's capital will be paid in the following 3 months, beginning from the date of registration. The rest of the company's capital will be paid in 3 years.

ANNOUNCEMENTS

Article 7: Announcements concerning the Company must be published at least seven days in advance in any newspaper located in the area of the Head Office of the Company. However the provisions of Article 37 subparagraph 4 of the Turkish Commercial Code are reserved.

ADMINISTRATION OF THE COMPANY

Article 8: The business and the affairs of the Company shall be managed by one or more Manager(s) selected within the shareholders or outside.

A resolution of the partners at The General Meetings representing more than one half of the paid-in capital of the Company may change the Manager(s) at any time.

REPRESENTATION OF THE COMPANY

Article 9: Manager(s) shall represent the Company. His/their signature(s), as well as other signatures, if any, as determined by the partners in The General Meeting, which shall be registered and announced, shall be binding on the Company.

ACCOUNTING YEAR

Article 10: The accounting year of the Company shall be the calendar year beginning from 1 January till to 31 December. However, in the case of the first year of the Company, the accounting year shall be the date when the Company is definitely formed till to 31 December of that year

PROFIT DISTRIBUTION

Article 11: After deducting the legal tax obligation to be paid by the Company from the balance sheet profit, the remaining amount of the profit (net profit) shall be distributed as follows:

- 1) 5% to the first legal reserve fund
- 2) 5% as a dividend to partners on their paid up capital
- 3) The remainder can be retained for extraordinary reserve fund or may be distributed to the Shareholders partially or totally, or part of the profit can be distributed as bonus to the Company's employees.

In excess of the profit, to be distributed to personnel, to be distributed to the Shareholders as second level dividends, and to be distributed to those participating in the profits, a 10% second legal reserve shall be apportioned as per the Article 466, paragraph 2, subparagraph 3 of the Turkish Commercial Code

RESERVE FUND

Article 12: General reserves shall be allocated until the amount reaches 20% of the Company's paid in capital. In case the amount of the general reserve falls below 20% of the Company's paid in capital, allocation of the reserves shall be resumed. No profit shall be distributed to partners unless the legal and statutory reserves and the amounts which are required to be allocated by law or under these Articles are first allocated.

APPLICATION OF THE TURKISH COMMERCIAL CODE

Article 13: The provisions of the Turkish Commercial Code shall govern in matters for which no provision exists in these Articles of Formation.

TEMPORARY ARTICLES

Article 1 For the first three years, founderis selected as the Director of the Company.

Article 2 All the foundation expenses provided by the founders will be recorded in the accounts of the Company.

FOUNDERS

SIGNATURES

Sample 4

SPECIMEN ARTICLES OF FORMATION OF JOINT STOCK COMPANY (İ.E. A.Ş.)

FORMATION

Article 1: A Joint Stock Company has been established by and between the founders whose names and titles, domiciles and nationalities appear herein below according to the provisions of immediate establishment of joint-stock companies stipulated in Turkish Commercial Code.

Founders:

Name & Title	Domicile	Nationality
--------------	----------	-------------

- 1.
- 2.
- 3.
- 4.
- 5.

TITLE OF THE COMPANY

Article 2: The name of the Company is Anonim Şirketi. This name shall be referred to as "the Company" in the following Articles hereafter.

AIMS AND OBJECTS OF THE COMPANY

Article 3: The Company has been incorporated with the main objectives stated herein below;

1. Within the scope of the import/export regulations and other rules relating to these objectives, the import, export, distribution, manufacture, promotion and wholesale in the home market of the raw materials and semi-produced materials which are used in the industry, the obtaining licences and patents either directly or as a representative and the carrying out of any business which assists or ensures the activities described above.
2. In order to achieve the said objectives the Company may:
 - a) Carry on all kind of commercial and service type activities,
 - b) Establish new partnerships with local and foreign real or legal persons engaged directly in the same line of business as that of the Company or aiming at the same objectives as those of the Company or participants in already established companies or participate in such companies as are engaged in activities of the said products,
 - c) Appoint or receive the appointment of commercial representations, agencies, custodianships, commercial attorneyships or consultancy both in the country or abroad in fields relating to the line of business of the Company,
 - d) Erect and establish large stores, display areas and warehouses at ports and other places or free districts.
 - e) Acquire any and all necessary vehicles including aircraft needed for company business, buy transportation vehicles or transfer or assign the same, or initiate thereon dispositions in kind or personal,
 - f) Without engaging in any sort of brokerage or stock exchange operations, sign long, medium or short termed loan agreements with local or foreign organisations, establishments or banks, or obtain loans or effect participation that are considered in the interests of the Company, or property or commercial enterprise liens in order to secure the amounts due to the Company or withdraw the same or grant real estate mortgages, property liens, commercial enterprise liens in respect of Company debts,

- g) Receive the transfer of or acquire by purchase, procurement, grant or in any other manner, partially or in whole the properties of one or more companies, firms, or person(s) which are engaged in a similar line of business as that of the Company, or appropriate such properties into the Company capital in kind or accept the appropriation thereof, co-operate with local or foreign capital and partnerships in respect of business falling within the objectives and the line of business of the Company or acquire, conclude agreements in connection with, utilise transfer partially or in whole to third parties, receive the transfer of, buy or sell, lease to or hire from third parties such intangible rights, commercial titles, commercial and fabrication names and trade marks,
- i) Employ foreign personnel in fields requiring services, or train personnel in Turkey or abroad or conduct similar training professional functions,
- j) Buy and sell real estate, accept grants or acquire transfer, lease or build shops, factories or administration buildings, ask for the registration of lease contracts of rented premises and all kinds of real right to the Land Registry,
- k) Participate in any and all tenders in its field of activity.

In order to be able to participate in future, in other transactions apart from those stated above which will be deemed necessary or in favour of the Company, at the proposal of the Board of Directors the subject will be discussed in shareholders general assembly meetings and the Company will be able to undertake such transactions after the decision is taken. For the execution of such a decision, which means an amendment to the Articles of Formation, permission from the Foreign Investment Directorate and Ministry of Industry and Commerce must be obtained.

HEAD OFFICE AND BRANCHES OF THE COMPANY

Article 4: The Head Office of the Company is situated in (name of city) The Company may establish branches in Turkey and abroad by notifying the Ministry of Industry and Commerce.

TERM OF THE COMPANY

Article 5: The Company has been formed for a period ofyears.

CAPITAL AND SHARE CERTIFICATES

Article 6: The capital of the Company isNew Turkish Lira. The capital is composed of share certificates having a nominal value ofNew Turkish Lira each.

The total capital of the Company has been subscribed in cash by virtue of the Shareholders as follows:

Shareholders	Nominal Value	(%)	Number of Shares
1.			
2.			
3.			
4.			
5.			

* 25% company's capital will be paid in the following 3 months, beginning from the date of registration. The rest of the company's capital will be paid in 3 years.

TRANSFER OF SHARES

Article 7: Transfer of shares are deemed to be valid only if the transfer is registered in the Share Registration book.

THE CONSTITUTION AND TERM OF BOARD OF DIRECTORS

Article 8: The business and administration of the Company shall be conducted by the Board of Directors composed of three people elected by the General Meeting of Shareholders in accordance with the provisions of the Turkish Commercial Code.

The members of the initial Board of Directors are stated in Temporary Article 1 of the Articles of Formation of the Company.

Directors shall serve for a term of maximum three years and may be re-elected.

The General Meeting of Shareholders, if it deems necessary, may change the directors at any time.

REPRESENTING THE COMPANY AND COMMITTING ON BEHALF OF THE COMPANY

Article 9: The Board of Directors shall represent the Company and shall be responsible for its administration.

In order that any documents issued and any contracts concluded by the Company to be valid, the signatures of the delegate members elected by the Board of Directors, must appear beneath the name of the Company.

COMPANY AUDITORS AND THEIR DUTIES

Article 10: The General Meeting of Shareholders shall elect one or more auditors either among the shareholders or from outside for a maximum term of three years. The number of auditors shall not exceed five.

As the initial auditor:

(Full name of the auditor), Turkish citizen, domiciled at (full address), has been appointed for a term of one year.

The duties of the auditors shall be those prescribed by Articles 353 through 357 of the Turkish Commercial Code.

GENERAL MEETING OF SHAREHOLDERS

Article 11: The following provisions shall be applied to The General Meeting of Shareholders:

a) Call for The General Meeting of Shareholders:

General Meeting of Shareholders shall be held either as ordinary or extraordinary. The provisions of the Articles 355,365,366 and 368 of the Turkish Commercial Code shall apply to the invitation to such meetings.

b) Meeting time:

The ordinary General Meeting of Shareholders shall convene annually within three months following the end of the accounting year of the Company. Extraordinary General Meetings shall be held at times required by the affairs of the Company.

c) Voting and Representation by Proxy:

Shareholders or their proxies shall have the right to one vote for each share at Ordinary or Extraordinary General Meetings. Shareholders may be represented at General Meeting of Shareholders by proxies given either to non members or other shareholders who shall have the right, apart from their own vote, to vote for each of the shareholders whom they represent. The form of the proxy shall be prepared and published by the Board of Directors.

d) Quorum for Meetings:

In General Meetings of Shareholders, the agenda set forth in Article 369 of the Turkish Commercial Code shall be discussed and resolutions concerning them shall be taken. The Provisions of the Turkish Commercial Code shall apply to the quorum for meetings and quorum for decisions.

e) Meeting Place:

General Meetings of Shareholders shall be held in the office of the Company or at another place where the head office of the Company is situated.

NECESSITY FOR THE PRESENCE OF GOVERNMENT COMMISSARY AT THE MEETING

Article 12: A Commissary from the Ministry of Industry and Commerce must be present at the ordinary or extraordinary General Meetings of Shareholders and must sign the minutes of the meetings. Any resolutions taken at the General Meetings held in the absence of the Commissary and the minutes not signed by the Commissary are invalid.

ANNOUNCEMENTS

Article 13: All notices requiring publication must be inserted and published at least 15 days in advance in a newspaper published in the city where the head office of the Company is situated. However the provision of Article 37 and subparagraph 4 is reserved.

A copy of the notification letter calling for the General Meeting of Shareholders shall be published two weeks in advance of the date, exclusive of the date of the meeting and the date of the publication, in accordance with the provisions of Article 368 of the Turkish Commercial Code.

The provisions of Article 397 and 438 shall apply to announcements for capital decrease and liquidation respectively.

ACCOUNTING YEAR

Article 14: The accounting year of the Company shall begin on the 1st of January and end on the 31st of December. However, in the case of the first year of the Company, the accounting year shall run from the day when the Company is definitely formed till to the 31st of December of the year.

PROFIT DISTRIBUTION

Article 15

1. After deducting the fiscal obligation to be paid by the Company from the balance sheet profit calculated in compliance with the Turkish Commercial Code, the remaining amount of the profits (net profit) shall be distributed as follows:

- a) 5% to the legal reserve fund,
- b) 5% as a dividend to shareholders on their paid up capital.

2. The General Meeting of Shareholders is authorised to allocate the remaining net profit totally or partially to various funds to establish reserves there from and/or to distribute the same to shareholders.

3. In excess of the profit, to be distributed to personnel, to be distributed to the Shareholders as second level dividends, and to be distributed to those participating in the profits, a 10% second legal reserve shall be apportioned as a legal reserve fund as per the Article 466, paragraph 2, subparagraph 3 of the Turkish Commercial Code

4. No distribution of profits may be realised unless legal and statutory reserves are first set aside and other amounts to be set aside as per the provisions of law and these Articles of Formation are provided for.

RESERVE FUND

Article 16: Provided that the legal reserve fund required by the Article 466 of the Turkish Commercial Code does not exceed one-half of the capital of the Company, the reserve may be used only for covering losses, for maintaining the stability of the business in adverse business times, for preventing employee layoffs, or for taking measures to alleviate their consequences

The legal reserve fund and other reserve and funds and reserves set aside in conformity with the law, the Articles of Formation or by a decision of the General Meeting of Shareholders cannot be used for any purpose other than for their declared purpose.

APPLICATION OF THE TURKISH COMMERCIAL CODE

Article 17: The provisions of the Turkish Commercial Code shall be applied in all matters where the Articles of Formation of the Company do not specifically deal in particular.

TEMPORARY ARTICLES

Article 1: The people herein below are members of the Board of Directors who will represent the Company until the First General Meeting is held:

- 1.
- 2.
- 3.

Within this period the Company can be represented and obligated by the signature of (name)

FOUNDERS

Names

..... Inc.
..... SA.
..... BV.
..... GmbH.
Mr.

Sample 5

SIGNATURE DECLARATION

COMMERCIAL TITLE OF THE COMPANY:

OFFICE ADDRESS :
.....

Specimen signatures of the people, who will represent the Company, with the Commercial Title and Office address inscribed above, are as follows:

NAME AND SURNAME	SIGNATURE		
	1	2	3
1.....	-----	-----	-----
2.....			
3.....			

Sample 6

Letter of Commitment

(Prepared in accordance to the Trade Registry Regulation Article No: 29)

TO THE TRADE REGISTRY OF

Title of the Company:

Paid in Capital:

Address:

Opening Date:

Field of Activity of the Company at the
Date of Opening:

Telephone Number:

I / We declare and undertake the responsibility of the information in the letter of commitment prepared in accordance with the Trade Registry Regulation Article No: 29 are correct and in the case of any wrong information I / we accept responsibility.

Responsible Person in the Name of Company
(Signature)

1. Name Surname
(Signature)

2. Name Surname
(Signature)

Sample 7

DATA FORM FOR FDI OPERATIONS

(THIS FORM WILL BE SENT TO THE GENERAL DIRECTORATE OF FOREIGN INVESTMENT EVERY YEAR TILL THE END OF MAY ATTACHED WITH THE BALANCE SHEET AND INCOME STATEMENT OF THE COMPANY)

A- COMPANY DATA

Commercial Title	
Address	
Trade Registration No	
Province	
Zip Code	
Phone No.	
Fax. No.	
E-mail address	
Web site	
Tax Office	
Tax No.	
Name and Surname of General Manager	
Sector (choose from list)	
Brands in Turkey	
Commercial names	
Names of Affiliates/Subsidiaries	
Share ratio in these	
Provinces where branch-offices (if any) are located	

B- SHARE STRUCTURE OF THE COMPANY

Name of Shareholder	Citizenship	Share ratio (%)	Share Amount (NTL)
I- Foreign Shareholders			
II Domestic Shareholders (*)			
	TR		
	TR		
Other Domestic Shareholders	TR		
III - Shares traded in Istanbul Stock Exchange			
TOTAL			

(*) Three leading shareholders will be designated

C- DATA ON FOREIGN SHAREHOLDER/S ()**

Name/Title	
Overseas Address	
E-mail address	
Web site	
International brands	
Name of the Central Company and the country it is located at – in case the foreign shareholder is a Transnational/Multinational Company.	

(**) If the number of foreign shareholders is more than one, please prepare supplementary pages.

D- DATA ON TRANSFER OF PROFITS

Amount of Transfer	
US \$ Equivalent of Transfer	
Country of Transfer	
Date of Transfer	

E- DATA ON TRANSFER OF LICENSES, KNOW-HOW, TECHNICAL ASSISTANCE, FRANCHISE AGREEMENTS

Licensee	
Country of Licensee	
Subjects of Licensee (It will be selected from Annex 5-Code 4 of the FDI Regulation)	
Amount of Transfer	
US \$ Equivalent of Transfer	
Country of Transfer	
Date of Transfer	

F- DATA ON FOREIGN TRADE (*)

Exports of the Previous Year Made by Intermediary (US \$)	
Imports of the Previous Year Made by Intermediary (US \$)	

(*)Exports/ Imports Realized by the Mediation of Foreign Trade Companies or Other Companies.

G- DATA ON BUSINESS ACTIVITIES

Amount of Products/ Services (It will be selected from Annex 5-Code 4 of the FDI Regulation)	
Value of Products/ Services (It will be selected from Annex 5-Code 4 of the FDI Regulation)	

H- DATA ON INVESTMENTS

Is that any investment that has been realized in the previous year?		Yes <input type="checkbox"/>	No <input type="checkbox"/>
If "Yes" please proceed below			
Subject of the Investment (It will be selected from Annex 5-Code 4 of the FDI Regulation)			
Type of Investment	New <input type="checkbox"/>	Expansion <input type="checkbox"/>	Other <input type="checkbox"/>
Amount of Investment (US \$)			
State Aids Benefited for this Investment (If exists, date and no of Incentive Certificate)			

Company Seal and Authorized Signatures

Sample 8

FDI CAPITAL DATA FORM

(THIS FORM WILL BE SUBMITTED TO GENERAL DIRECTORATE OF FOREIGN INVESTMENT
WITHIN ONE MONTH FOLLOWING A PAYMENT TO THE EQUITY ACCOUNT)

Title of Company

Address

Tax Office

Tax No.

Trade Registration No

Telephone Number

Fax Number

E-Mail

Web Address

PAYMENTS MADE BY FOREIGN SHAREHOLDERS TO THE SHARE ACCOUNT

-In Cash,

Currency and Amount of Transferred Foreign Exchange	
Transferred Capital in NTL	
Country	
Date of Transfer	
Name of the Paying Foreign Shareholder	
Bank Branch Involved in Payment Transaction	

-Other Than Cash,

	New Turkish Lira	USD
Undistributed Profits		
Capital in Kind (Movable Goods/ Securities)		
Rights / Receivables of Foreign Shareholder		
Funds		
Reserves		
Others (please explain)		
Date of Payment		
Name of the Paying Foreign Shareholder (*)		

(*) Supplementary tables will be prepared in case of two or more shareholders.

Company Seal and Authorized Signatures

Sample 9

SHARE TRANSFER DATA FORM FOR FDI

(THIS FORM WILL BE SENT TO THE GENERAL DIRECTORATE OF FOREIGN INVESTMENT WITHIN 1 MONTH FOLLOWING EVERY SHARE TRANSFER)

Commercial Title	
Address	
Trade Registration No	
Province	
Zip Code	
Phone No.	
Fax. No.	
E-mail address	
Web site	
Tax Office	
Tax No.	

BEFORE THE TRANSFER OF SHARES

Name of Shareholder	Citizenship	Share ratio (%)	Share Amount (NTL)
I- Foreign Shareholders			
II Domestic Shareholders (*)			
Other Domestic Shareholders			
III - Shares traded in Istanbul Stock Exchange			
Total			

(*) Three leading shareholders will be designated

AFTER THE TRANSFER OF SHARES

Name of Shareholder	Citizenship	Share ratio (%)	Share Amount (NTL)
I- Foreign Shareholders			
II Domestic Shareholders (*)			
Other Domestic Shareholders			
III - Shares traded in Istanbul Stock Exchange			
TOTAL			

(*) Three leading shareholders will be designated

Share Transfer Amount

Date of Share Transfer

SHAREHOLDERS METHOD OF SETTLING THE SHARE AMOUNT (*)

-In Cash,	
Currency and Amount of Transferred Foreign Exchange	
Transferred Capital in NTL	
Country	
Date of Transfer	
Bank Branch Involved in Payment Transaction	

-Other Than Cash,	New Turkish Lira	USD
Reinvested Profits		
Capital in Kind (Movables Goods/ Securities)		
Rights / Receivables		
Other (please explain)		
Total		

(*) Supplementary tables will be prepared in case of two or more shareholders.

Company Seal and Authorized Signatures

3. Formation of a Liaison Office

3.1 General Definition

The establishment procedure of liaison offices has not changed. General Directorate of Foreign Investment Undersecretariat of Treasury is authorised to grant permit to foreign companies to establish and to open liaison offices for the period of 3 years. Note that an extension is also possible. In order the liaison offices to operate in Turkey, the expenditures of the liaison office shall entirely be met by the legal person resident abroad and the foreign currency shall be brought from abroad. The liaison office is not allowed to engage in any commercial activity or in any field out of the permission subject. Moreover, these offices should not apply for transfer of profits and alike, except for the liquidation proceeds.

Applications for the establishment and extension shall be finalized within 5 days following the application, provided that the necessary information / documents are complete and proper.

Applications of foreign companies to open liaison offices so as to operate in sectors subject to special legislation, such as money and capital markets, insurance, etc., will be assessed by authorities and institutions authorized under the related special legislation.

3.2 Documents Required for Formation

3.2.1 Documents Required by FID

- Letter of Commitment,
- The original copy of "Certificate of Business Activity" approved by the relevant Turkish Consulate or as per the Den Haag International Law Conference Treaty on Abolishment of the Requirement for Endorsement of Official Documents,
- Operational report or balance sheet and income statement of the main company,
- Original power of attorney issued to the name of the person who will carry out the operation of the liaison office,
- Original power of attorney in case another attorney will carry out the establishment transactions of the liaison office.

3.3 Application Memorandum for Formation

3.3.1. Application to FID

- Enterprises resident abroad, in order to establish a liaison office in Turkey, apply to General Directorate of Foreign Investment Undersecretariat of Treasury with the following documents.
- Letter of Commitment stating that all expenditures of the liaison office will be financed from abroad. (Sample 1)
- For legal persons resident abroad;
 - i) Certificate of Activity obtained from Chamber of Commerce or the subjacent authorities (certified as described below),
 - ii) Previous year's annual activity report (including previous year's balance sheet and fields of activity),

- The Certificate of Activity should be certified by the appropriate Turkish Consulate or according to the provisions of the Convention Abolishing the Requirement of Legalisation for Foreign Public Documents prepared within the Framework of the Hague Conference on Private International Law.
- Detailed information concerning the activities of the liaison office in Turkey, number of persons to be employed and expenditures to be made within a year (Sample 3),
- Power of Attorney given to the person who will be in charge of running the liaison office (Notarised or certified as explained above).
- Power of Attorney given to the person who will be contacted personally in the course of application. Power of Attorney has to be notarised or certified as explained above (Sample 2).

3.3.2 Application to Municipality

Documents needed:

- Petition
- Permission licence granted by the FID
- Notarised copy of rental agreement made for the office address
- A notarised copy of "Signature Declaration"
- Fees (approximately USD 1,000 for capital of USD 50,000)
- Resolution by the Board of Directors
- Power of Attorney given to the representative
- Power of Attorney given to the person who will be contacted personally in the course of application.

The Municipality issues Certificate of Operation

(Fees paid to the municipalities depend on the capital of the liaison office and the geographical place of the municipality. The amount will be ascertained once the location where the Company is going to be resident is known)

3.3.3 Application to Tax Office and Notarisation of Legal Books

Documents needed:

- Notarised copy of FID permission
- Rental agreements
- Signature circular
- A form given by the Tax Office.
- Certificate of residence of the representative
- A copy of identification card of the representative

3.3.4 Application to Social Security Institution (SSI)

Documents needed:

- Standard form given by SSI (3 copies)
- Notarised copy of FID permission
- Power of attorney
- Notarised copy of signature circular
- Certificate of residence of the representative
- Copy of identification card of the representative

3.3.5 Application to Local Working Directorate (LWD)

Documents needed:

- Standard form given by LWD (3 copies)
- Notarised copy of FID permission
- Power of attorney
- Notarised copy of signature circular
- Certificate of residence of the representative
- Copy of identification card of the representative

3.4 Sample Documents

Sample 1

LETTER OF COMMITMENT FOR LIAISON OFFICE

The Turkish Republic Prime Ministry
Undersecretariat of Treasury,
The Foreign Investment Directorate
Ankara
Turkey

Dear Sirs

LETTER OF COMMITMENT

We have decided to set up a Liaison Office in (*name of city*), Turkey to explore business opportunities.

We undertake that this Liaison Office will not engage in any commercial activities and will not apply for transfer of profits. Its essential function will be collection, compilation and analysis of information and to provide timely feedback to our various offices on business opportunities which arise in Turkey from time to time.

We also undertake to meet all expenses incurred by our Liaison Office from free foreign exchange remittances from abroad.

Yours faithfully

Sample 2

POWER OF ATTORNEY FOR LIAISON OFFICE

POWER OF ATTORNEY

We hereby declare that we, *(full name of the company)* herein called "*(short name)*", a company organised and existing under the laws of *(name of country)* having our principal office at *(full address)*, have appointed and assigned Mr/Mrs , resident at *(full name and address)*.....; Mr/Mrs, resident at *(full name and address)* as our attorneys in fact with full power and authority to do and perform, jointly and/or separately, all or any of the following acts:

To establish a Liaison Office in the Republic of Turkey, to prepare or ensure the preparation of necessary documents, to obtain the necessary permit for the formation of such a Liaison Office from the Foreign Investment Directorate, to ensure the registration and announcement thereof, to follow-up and finalise all relevant transactions with appropriate ministries and their subjacent organisations, Chamber of Commerce and Industry, registries, prefectures, sub-prefectures, police departments, municipalities and their subjacent organisations and such other authorities as the transactions may necessitate, to examine files to obtain operation permits, to initiate and finalise all relevant transactions at and/or before the Ministry of Finance of the Republic of Turkey and other public bodies, to proceed with the above at and/or before the Ministry of Finance of the Republic of Turkey, and other public bodies, to proceed with the above at and/or before any other concerned departments and authorities with respect to the establishment, and also to assign part or all of the above to third and to dismiss such third party when deemed necessary.

IN WITNESS WHEREOF, "*(short name)*" has caused this POWER OF ATTORNEY to be executed in the names of Mr/Mrs and Mr/Mrs by an Executive Managing Director of "*(short name)*", Mr *(name of director)*, who has the right to sign this POWER OF ATTORNEY in the name of "*(short name)*" in *(address)* thisday of

Sample 3

DATA FORM FOR LIAISON OFFICE ACTIVITIES

(THIS FORM WILL BE SENT TO THE GENERAL DIRECTORATE OF FOREIGN INVESTMENT EVERY YEAR TILL THE END OF MAY)

OPERATION YEAR:

GENERAL INFORMATION

Information About the Mother Company

Title
Address
Country
Scope of Business

Information About the Liaison Office

Address
Phone No.
Fax. No.
E- mail address
Tax Office
Tax No.

Authorized Person's
Name and Surname

Liaison Office Data

Date and number of Opening Permit	
Date of initiation of operation	
Total number of employees	

ANNUAL OPERATIONS

Total amount of foreign currency transferred in during the year (*)

(*) A list of bank slips designating the date, no., USD amount and its NTL equivalence as endorsed by the related bank has to be enclosed

	USD	New Turkish Lira
Personnel remunerations		
Office expenses		
Representation and entertainment expenses		
Annual rental fee (withholding inclusive)		
Other expenses		
TOTAL		

OTHER DATA

For answers to the below questions you may use additional sheets and attach them to this form.

What are the economic activities of the mother company focusing on in Turkey? (Imports, exports, financing, project, contracting, etc)
What are the activities of the liaison office with regard to representing the mother company?
Give details if the office carries out any research, supervision –inspection, quality control activities
Give reasons if the application is for extension of the permit

4. Formation of a Branch

4.1 General Definition

A branch is a per se permanent establishment and has a limited liable taxpayer status.

According to new FDI regulation, requirement for the pre-permit issued by General Directorate for the establishment of branches of foreign companies is abolished. Currently branches can be established under rules of Turkish Commercial Code provided that a permit from Ministry of Industry and Trade is obtained.

Legal name of the branch has to include:

- Name of the main company
- Status of the main company
- City-Country where the main company is located
- Country-City where the branch is located

Example: B.V. Located in Veldhoven Netherlands, Turkey Istanbul Branch
(..... B.V. Merkezi Veldhoven Hollanda, Türkiye Istanbul Subesi)

4.2 Documents Required for Formation

- A petition to Trade Registration Office
- A petition to the Ministry of Industry and Commerce
- 2 copies of notarised articles of formation (one original and one copy)
- Signature declaration(s) of person(s) authorised to represent the company (2 copies) (sample 1)
- Letter of commitment prepared in accordance with Trade Registry Regulation Article No:29 (sample 2)
- Originals of bank receipts indicating that 4/10.000 of the amount of the paid in capital of company, is paid to bank account of Competition Council at Ziraat Bank Bilkent Plaza Branch Account No: 5383761-5016
- Certificate of Activity apostilled and approved by Turkish consulate or prepared in accordance with the Convention Abolishing the Requirement of Legalisation for Foreign Public Documents within the Framework of the Hague Conference on Private International Law by the Chamber of Industry and/or Commerce or an authorized court. (original and a copy of notarised Turkish translation)

4.3 Other Documents Required After the Formation (If necessary)

Branches which are subject to the provisions of the Foreign Investment Law have to make the following declarations to the General Directorate of Foreign Investment;

- Information regarding the capital and operations of the company by means of the "FDI Form for Operations" (Sample 3), on annual basis every year until the end of May,
- Information regarding the payments made to the share capital accounts of the company by means of the "FDI Capital Data Form" (Sample 4), within 1 month following each payment,
- Information regarding the share transfers made by domestic or foreign shareholders among each other or made to any domestic or foreign investor outside the company, by means of the "FDI Share Transfer Data Form" (Sample 5), within 1 month following the share transfer.

4.4 Sample Documents

Sample 1

SIGNATURE DECLARATION

COMMERCIAL TITLE OF THE BRANCH:

OFFICE ADDRESS :
.....

Specimen signatures of the people, who will represent the Branch, with the Commercial Title and Office address inscribed above, are as follows:

NAME AND SURNAME	SIGNATURE		
	1	2	3
1.....	-----	-----	-----
2.....			
3.....			

Sample 2

Letter of Commitment

(Prepared in accordance to the Trade Registry Regulation Article No: 29)

TO THE TRADE REGISTRY OF

Title of the Branch:

Appointed Capital:

Address:

Opening Date:

Field of Activity of the Branch at the
Date of Opening:

Telephone Number:

I / We declare and undertake the responsibility of the information in the letter of commitment prepared in accordance with the Trade Registry Regulation Article No: 29 are correct and in the case of any wrong information I / we accept responsibility.

Responsible Person in the Name of Branch
(Signature)

1. Name Surname

(Signature)

2. Name Surname

(Signature)

Sample 3

DATA FORM FOR FDI OPERATIONS

(THIS FORM WILL BE SENT TO THE GENERAL DIRECTORATE OF FOREIGN INVESTMENT EVERY YEAR TILL THE END OF MAY ATTACHED WITH THE BALANCE SHEET AND INCOME STATEMENT OF THE BRANCH)

A- BRANCH DATA

Commercial Title	
Address	
Trade Registration No	
Province	
Zip Code	
Phone No.	
Fax. No.	
E-mail address	
Web site	
Tax Office	
Tax No.	
Name and Surname of General Manager	
Sector (choose from list)	
Brands in Turkey	
Commercial names	
Names of Affiliates/Subsidiaries	
Share ratio in these	
Provinces where branch-offices (if any) are located	

B- SHARE STRUCTURE OF THE BRANCH

Name of Shareholder	Citizenship	Share ratio (%)	Share Amount (NTL)
I- Foreign Shareholders			
TOTAL			

C- DATA ON FOREIGN SHAREHOLDER

Name/Title	
Overseas Address	
E-mail address	
Web site	
International brands	
Name of the Central Company and the country it is located at – in case the foreign shareholder is a Transnational/Multinational Company.	

D- DATA ON TRANSFER OF PROFITS

Amount of Transfer	
US \$ Equivalent of Transfer	
Country of Transfer	
Date of Transfer	

E- DATA ON TRANSFER OF LICENSES, KNOW-HOW, TECHNICAL ASSISTANCE, FRANCHISE AGREEMENTS

Licensee	
Country of Licensee	
Subjects of Licensee (It will be selected from Annex 5-Code 4 of the FDI Regulation)	
Amount of Transfer	
US \$ Equivalent of Transfer	
Country of Transfer	
Date of Transfer	

F- DATA ON FOREIGN TRADE (*)

Exports of the Previous Year Made by Intermediary (US \$)	
Imports of the Previous Year Made by Intermediary (US \$)	

(*)Exports/ Imports Realized by the Mediation of Foreign Trade Companies or Other Companies.

G- DATA ON BUSINESS ACTIVITIES

Amount of Products/ Services (It will be selected from Annex 5-Code 4 of the FDI Regulation)	
Value of Products/ Services (It will be selected from Annex 5-Code 4 of the FDI Regulation)	

H- DATA ON INVESTMENTS

Is that any investment that has been realized in the previous year? Yes <input type="checkbox"/> No <input type="checkbox"/>	
If "Yes" please proceed below	
Subject of the Investment (It will be selected from Annex 5-Code 4 of the FDI Regulation)	
Type of Investment	New <input type="checkbox"/> Expansion <input type="checkbox"/> Other <input type="checkbox"/>
Amount of Investment (US \$)	
State Aids Benefited for this Investment (If exists, date and no of Incentive Certificate)	

Company Seal and Authorized
Signatures

Sample 4

FDI CAPITAL DATA FORM

**(THIS FORM WILL BE SUBMITTED TO GENERAL DIRECTORATE OF FOREIGN INVESTMENT
WITHIN ONE MONTH FOLLOWING A PAYMENT TO THE EQUITY ACCOUNT)**

Title of the Branch

Address

Tax Office

Tax No.

Trade Registration No

Telephone Number

Fax Number

E-Mail

Web Address

PAYMENTS MADE BY FOREIGN SHAREHOLDER TO THE SHARE ACCOUNT

-In Cash,	
Currency and Amount of Transferred Foreign Exchange	
Transferred Capital in NTL	
Country	
Date of Transfer	
Name of the Paying Foreign Shareholder	
Bank Branch Involved in Payment Transaction	

-Other Than Cash,	New Turkish Lira	USD
Undistributed Profits		
Capital in Kind (Movable Goods/ Securities)		
Rights / Receivables of Foreign Shareholder		
Funds		
Reserves		
Others (please explain)		
Date of Payment		
Name of the Paying Foreign Shareholder		

Company Seal and Authorized
Signatures

Sample 5

SHARE TRANSFER DATA FORM FOR FDI

(THIS FORM WILL BE SENT TO THE GENERAL DIRECTORATE OF FOREIGN INVESTMENT WITHIN 1 MONTH FOLLOWING EVERY SHARE TRANSFER)

Commercial Title	
Address	
Trade Registration No	
Province	
Zip Code	
Phone No.	
Fax. No.	
E-mail address	
Web site	
Tax Office	
Tax No.	

BEFORE THE TRANSFER OF SHARES

Name of Shareholder	Citizenship	Share ratio (%)	Share Amount (NTL)
I- Foreign Shareholders			

AFTER THE TRANSFER OF SHARES

Name of Shareholder	Citizenship	Share ratio (%)	Share Amount (NTL)
I- Foreign Shareholder			

Share Transfer Amount

Date of Share Transfer

SHAREHOLDERS METHOD OF SETTLING THE SHARE AMOUNT

-In Cash,	
Currency and Amount of Transferred Foreign Exchange	
Transferred Capital in NTL	
Country	
Date of Transfer	
Bank Branch Involved in Payment Transaction	

-Other Than Cash,	New Turkish Lira	USD
Reinvested Profits		
Capital in Kind (Movables Goods/ Securities)		
Rights / Receivables		
Other (please explain)		
Total		

Company Seal and Authorized Signatures

5. Investing in an Existing Turkish Company

5.1 General Definition

Real persons and legal entities resident abroad may become partners or purchase shares in an existing Turkish company. All companies established with a foreign capital contribution are under the rules of the Turkish Commercial Code and regarded as a Turkish company.

However, portfolio investments to be realised pursuant to Foreign Exchange Legislation is not included in this scope, please refer to page 63, "Financial Investment in Turkish Stock Market" for details.

5.2 Documents Required for Participation

- For real person resident abroad: The copy of passport (apostilled) (2 copies)
- For legal entities resident abroad: Certificate of Activity apostilled and approved by Turkish consulate or prepared in accordance with the Convention Abolishing the Requirement of Legalisation for Foreign Public Documents within the Framework of the Hague Conference on Private International Law by the Chamber of Industry and/or Commerce or an authorized court. (original and a copy of notarised Turkish translation)
- Locally invested companies, which are not subject to the provisions of the FDI Law has to submit the "FDI Share Transfer Data Form" to General Directorate of Foreign Investment within 1 month following the share transfer (Sample 1);
 1. In case a foreign investor participates in a company, or
 2. In case the company becomes subject to the provisions of the FDI Law due to the participation of a foreign investor from outside the company during the capital increase accomplished by the company.

5.3 Sample Documents

Sample 1

**SHARE TRANSFER DATA FORM FOR FDI
(THIS FORM WILL BE SENT TO THE GENERAL DIRECTORATE OF FOREIGN INVESTMENT WITHIN 1 MONTH
FOLLOWING EVERY SHARE TRANSFER)**

Commercial Title	
Address	
Trade Registration No	
Province	
Zip Code	
Phone No.	
Fax. No.	
E-mail address	
Web site	
Tax Office	
Tax No.	

BEFORE THE TRANSFER OF SHARES

Name of Shareholder	Citizenship	Share ratio (%)	Share Amount (NTL)
I- Foreign Shareholders			
II Domestic Shareholders (*)			
Other Domestic Shareholders			
III - Shares traded in Istanbul Stock Exchange			
Total			

(*) Three leading shareholders will be designated

AFTER THE TRANSFER OF SHARES

Name of Shareholder	Citizenship	Share ratio (%)	Share Amount (NTL)
I- Foreign Shareholders			
II Domestic Shareholders (*)			
Other Domestic Shareholders			
III - Shares traded in Istanbul Stock Exchange			
TOTAL			

(*) Three leading shareholders will be designated

Share Transfer Amount

Date of Share Transfer

SHAREHOLDERS METHOD OF SETTLING THE SHARE AMOUNT (*)

-In Cash,	
Currency and Amount of Transferred Foreign Exchange	
Transferred Capital in NTL	
Country	
Date of Transfer	
Bank Branch Involved in Payment Transaction	

-Other Than Cash,	New Turkish Lira	USD
Reinvested Profits		
Capital in Kind (Movables Goods/ Securities)		
Rights / Receivables		
Other (please explain)		
Total		

(*) Supplementary tables will be prepared in case of two or more shareholders.

Company Seal and Authorized Signatures

6. Financial Investments in Turkish Stock Market (ISE-Istanbul Stock Exchange)

Real persons and legal entities residing abroad (including investment trusts and investment funds abroad) can freely purchase and sell all sorts of securities and other capital market instruments through banks and intermediary institutions authorised by Capital Market Legislation without any need for further permission from the General Directorate of Foreign Investments. But, when a person living abroad owns 5% or more equity of a resident company floating in ISE, Istanbul Stock Exchange must be informed of the participation.

About Deloitte

Deloitte is an organization of member firms devoted to excellence in providing professional services and advice. We are focused on client service through a global strategy executed locally in nearly 150 countries and 700 offices. With access to the deep intellectual capital of approximately 135,000 people worldwide, we deliver services in four professional areas: audit, tax, consulting, and corporate finance services. Deloitte has the global revenue of US\$18.2 billion.

Deloitte member firms serve over one-half of the world's largest companies, as well as large national enterprises, public institutions, and successful, fast-growing global growth companies. The power of Deloitte lies in the cultural and intellectual diversity of its people. Deloitte is focusing on client service, excellence with the emphasis of performance, integrity and quality.

Deloitte Turkey was founded in 1986 and operating today in Istanbul and Ankara with over 500 employees at five firms on different expertise: audit, tax, corporate finance, consulting and enterprise risk services.

**DRT Denetim Revizyon Tasdik
Yeminli Mali Müşavirlik A.Ş.**

Büyükdere Caddesi
Yapı Kredi Plaza, B Blok, Kat 6,
34330 Levent, İstanbul
Tel: 90 (212) 339 84 00
Fax: 90 (212) 339 84 84

Armada İş Merkezi
A Blok, Kat:7, No:8,
06510 Söğütözü, Ankara
Tel : 90 (312) 295 47 00
Fax : 90 (312) 295 47 47

www.verginet.net

www.deloitte.com.tr

Deloitte refers to one or more of Deloitte Touche Tohmatsu, a Swiss Verein, its member firms, and their respective subsidiaries and affiliates. Deloitte Touche Tohmatsu is an organization of member firms around the world devoted to excellence in providing professional services and advice, focused on client service through a global strategy executed locally in nearly 150 countries. With access to the deep intellectual capital of approximately 135,000 people worldwide, Deloitte delivers services in four professional areas—audit, tax, consulting and financial advisory services—and serves more than one-half of the world's largest companies, as well as large national enterprises, public institutions, locally important clients, and successful, fast-growing global growth companies. Services are not provided by the Deloitte Touche Tohmatsu Verein, and, for regulatory and other reasons, certain member firms do not provide services in all four professional areas.

As a Swiss Verein (association), neither Deloitte Touche Tohmatsu nor any of its member firms has any liability for each other's acts or omissions. Each of the member firms is a separate and independent legal entity operating under the names "Deloitte", "Deloitte & Touche", "Deloitte Touche Tohmatsu", or other related names.

Designed by p56.
Copyright ©2006 by Deloitte Touche Tohmatsu. All rights reserved.

Member of
Deloitte Touche Tohmatsu