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6 June 2018 Ref. 18/28

## **CIRCULAR 18/28**

**Subject:** Transactions of the direct foreign capital companies operating in Turkey shall be carried out through the Electronic Incentive Implementation and Foreign Capital Information System (e-TUYS) that is created electronically.

"Regulation on the Amendment of the Implementing Regulation on the Direct Foreign Investments Law" of the Ministry of Economy entered into force by being published in the Official Gazette dated June 1, 2018 and numbered 30438.

Accordingly, transactions related to the companies and branches covered by the law shall be carried out through E-TUYS. Information to be requested from the company and branches shall be uploaded to E-TUYS by authorized users.

The companies and branches under the Direct Foreign Investments Law (Foreign Capital Joint Stock Company, Limited Liability Company, Branches)

- They ensure that the information in the fields of "Investor", "Partners' List" and "Affiliated Subsidiaries" are filled out by the qualified electronic certificate holders authorised by them by logging into E-TUYS, which can be accessed via the website of the Ministry, within one month after the authorization and that this information is recorded.
- They ensure that the fields in relation with their activities in the Annex-1 Activity Information Form for Direct Foreign Investments available in E-TUYS are electronically filled out and recorded by the user on an annual basis and until the end of May of each year at the latest.
- In case of increase or decrease in capital, they ensure that the field of "Partners' List" included in E-TUYS is electronically filled out and recorded by the user within 1 month at the latest.
- If there are payments made in relation with the- capital increase or share transfer, they ensure that the fields in the ANNEX-2 Capital Information Form for Direct Foreign Investments included in E-TUYS are electronically filled out and recorded by the user within 1 month following payment.
- After the transfer of the shares made by the existing domestic or foreign partners within each other or with any domestic or foreign investors outside the company, they

ensure that the field of "Partners' List" included in E-TUYS is electronically filled out and recorded by the user within 1 month at the latest.

In case the entirely-domestic companies, which are not covered by the law, perform the transfer of shares and the company is included in the scope of the Law by;

- 1) the participation of a foreign investor in the company or
- 2) the participation of a foreign investor outside the company into the apital increase made by the company

They ensure that the information in the fields of "Investor", "Partners' List" and "Affiliated Subsidiaries" are electronically filled out and recorded by the user within 1 month after the share transfer is performed.

In case the companies make changes in information such as title, tax office and contact information, they shall update these in E-TUYS. In changing the tax numbers of the companies, application should be made to the Ministry of Economy together with the relevant documents.

In companies, which cease operations, this situation shall be reported to the ministry together with the relevant documents as well. User authorizations of these companies shall be cancelled.

Users, who are to operate in E-TUYS, shall have a qualified electronic certificate to be obtained from electronic certificate service providers. Users, who are to operate on the system, shall apply to the Ministry for authorization. The authorisation of the user shall be able to be cancelled upon the application of the companies and branches covered by the law.

Yours respectfully,
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