

## Circular on New Minimum Capital Amounts Was Published

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The Circular sets out the issues to be taken into consideration by the trade registry directorates in the registration procedures regarding the increased minimum capital amounts.

The Circular issued by the Ministry of Trade provides the matters to be considered in the registration procedures to be carried out at the trade registry directorates in order to ensure harmonisation in the implementation of the Presidential Decree No. 7887 on Increasing the Minimum Capital Amount for Joint Stock and Limited Liability Companies ("Decree") published in the Official Gazette dated 25.11.2023 and numbered 32380, effective as of 1.1.2024. Pursuant to the Decree, the minimum capital amounts were increased from TRY 50,000 to TRY 250,000 for joint stock companies, from TRY 100,000 to TRY 500,000 for non-public joint stock companies that adopted the registered capital system, and from TRY 10,000 to TRY 50,000 for limited liability companies.

According to the Circular, key matters to be taken into consideration in trade registry directorates are listed as follows:

- Newly established joint stock companies shall meet the minimum capital amount of TRY 250,000 and limited liability companies shall meet the minimum capital amount of TRY 50,000.
- For the registration of the capital increase resolution, the capital amount shall not be less than the newly determined minimum capital amounts.
- In partial demerger registration procedures, the capital of the demerged company shall not fall below the newly determined minimum capital amounts.
- For the registration of a conversion resolution, the capital amount shall not be less than the newly determined minimum capital amounts.
- In the determination to be made regarding the loss of the company's capital and statutory reserves, the registered capital of the company shall be taken into account. In cases which measures are required to be taken, procedures shall be carried out within the framework of the statements stipulated in the Circular.
- In the event that the companies deemed to have been dissolved due to lack of capital adaptation are intended to continue to operate, an explicit court decision allowing capital increase shall be provided.

Trade registry directorates shall comply with the clarifications set forth in the Circular in registration procedures; in other cases, the new minimum capital amounts shall be taken into consideration directly.

Joint stock and limited liability companies whose current registered capital is less than the new minimum capital amounts shall be informed to increase the awareness.