

Sports Clubs and Sports Federations Law was Published in the Official Gazette and Entered into Force

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Sports Clubs and Sports Federations Law numbered 7405 ("**Law**") was published in Official Gazette dated 26 April 2022 and numbered 31821 entered into force on the same day. With this Law, the establishment and operation procedures and principles of sports clubs, sports joint stock companies and sports federations have been determined.

Most important provisions are as follows:

Sports Clubs and Sports Joint Stock Companies

Within the scope of the Law that entered into force, sports clubs shall be established by at least seven real or legal persons in order to participate in sports activities. Joint stock companies established within the scope of the provisions of the Turkish Commercial Code and acquiring legal entity can qualify as sports joint stock companies if they are registered by the Ministry of Youth and Sports ("**Ministry**"). Sports joint stock companies will be able to open professional branches within this scope and unite to form a supreme board as a federation and a confederation.

Financial Obligations

Within the scope of the Law, sports clubs and sports joint stock companies can loan up to a maximum of 10% of their previous year's gross income in a budget year. For loans above this rate, it will be necessary to take a decision with a qualified majority in the general assembly of clubs and sports joint stock companies and make an additional budget. Sports clubs and sports joint stock companies cannot assign any rights or receivables to the members of the board of directors, their spouses and relatives up to the third degree, their employees and the companies in which they hold 5% share or more. Clubs and sports joint stock companies may assign a maximum of 25% of the gross income realized in the previous accounting period without the need for a general assembly resolution. In addition, clubs and sports joint stock companies are obliged to make collections and payments over seven thousand liras through banks.

Responsibility of President, Board Members and Directors

Sports club, sports joint stock company and sports federation presidents, members of the board of directors and directors will be jointly and severally liable for the damages that may arise if they intentionally or negligently violate their obligations arising from the legislation and the articles of association.

Forms of Assistances

The Ministry and sports federations will be able to assist in matters related to youth setup and the development of sports. On the other hand, municipalities, including metropolitan cities, are prohibited from transferring funds and providing assistance to clubs.

Sports Federations

Sports federations will be established by law or presidential decree to carry out activities related to sports. Federation headquarters will be in Ankara and general assemblies will be held in Ankara. The number of delegates in general assemblies cannot be less than one hundred and fifty and more than three hundred in Olympic and Paralympic sports, and less than hundred and more than two hundred in other sports branched.

Sport federations will be considered as public property and federation properties cannot be seized.

The number of board members of the federations will be determined as 11 principal and 11 substitutes. At least two of the members must be national athletes.

The term of office of the Federation Presidents has been determined as "maximum three terms consecutively or intermittently". The audit of the federations will be carried out by the Ministry.

Regulations On Managers

It is stipulated that the management contract to be signed with the football players must be notarized and made for a maximum of two years. The manager's fee can be up to 10% of this wage if the gross income to be paid to the football player during the contract period is less than 2 million liras, and up to 5% if it is more than 2 million liras.

The full text of the Law can be found through this [link](#). (Only available in Turkish)

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