

## The Communiqué on the Procedures and Principles regarding the Minimum Content of the Articles of Incorporation, Shareholding Structure, Stockholding, Capital and Bodies of Sports Joint Stock Companies has been Published

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The Ministry of Youth and Sports ("**Ministry**") published the Communiqué on the Procedures and Principles Regarding the Minimum Content of the Articles of Incorporation, Shareholding Structure, Stockholding, Capital and Bodies of Sports Joint Stock Companies ("**Communiqué**") regulating various issues related to the structure of sports incorporations. The Communiqué came into force as of 26 July 2022 after being published in Official Gazette numbered 31904.

Pursuant to the Communiqué, the statement "Sports Joint Stock Company" refers to an establishment as a subsidiary or affiliate of a sports club or a joint stock company established independently from a sports club in accordance with Turkish Commercial Code numbered 6102 and registered with the Ministry in order to engage in sports activities.

The minimum constituents that should be included in the Articles of Incorporation of the sport joint stock company have also been determined within the Communiqué. Some of them are as follows:

- The company's trade name should include one or more of the phrases of sports and sporting or a phrase which describes a certain branch of sports.
- The scope of activity of the company should be stated, wherein the essential points should be defined and indicated, while including that sport activities are to be engaged.
- Phrases describing; the colors, emblems and similar other distinctive signs to be used by the sports joint-stock company in sports activities should be included.
- The sports branches which are undertaken to practice and the provision containing the right and authority to engage in such activities should be stated.
- Fiscal period of the company in accordance with the period of the competitions in the sports branch which has the highest expenditure should be included.
- The procedure concerning the budget's preparation, implementation and practice should be included.
- Shares of sports joint stock companies can be bearer or registered shares. However, the shares of sports joint-stock companies which are affiliated with a sports club, excluding companies which are publicly traded on the stock exchange, must be registered shares.
- Real or legal persons cannot have direct or indirect control over more than one sports club or sports joint stock company which are in the same league.
- If a sports club that has assets or a contract, partnership, management or similar connection in a sports joint stock company

- Has the majority of the voting rights,
- Has the right to elect or nominate the number of members constituting the majority that can take decisions in the governing body in accordance with the Articles of Incorporation,
- Constitutes the majority of voting rights in addition to its own voting rights, based on a contract, alone or together with other shareholders or partners,
- Can keep the sports joint stock company under its control pursuant to a contract or by any other means,
- Can indirectly control the sports joint stock company through one or more companies that it has control over,

it will be deemed that such club has control over the sports joint stock company.

- The minimum capital of sport joint stock companies cannot be less than TRY 1,000,000.
- Memberships of the board of directors, board of supervisors, discipline and other discretionary committees in sports joint-stock companies of those who are convicted of the crimes listed in the Communiqué will be automatically terminated on the date of finalization of the court decision, without the need for any further action or decision.
- Those who take part in the management of a sports club and a sports joint stock company cannot simultaneously take part in the management of another sports club or sports joint stock company operating in the same sports branch and in the same league.

You can access the full text of the Communiqué from this [link](#) (only available in Turkish).

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