

## Turkey Introduces Regime for Urban Transformation Real Estate Certificates

*13 Dec 2016*

Turkey has announced a range of changes and new regulations to real estate certificates, intended to improve effectiveness of these instruments. In particular, rules and requirements are introduced for real estate certificates issued within the urban transformation projects. A detailed regime is established for issuing and applying for such certificates.

Amendments Communiqué (VII-128.2a) on the Real Estate Certificates Communiqué (VII-128.2) ("**Communiqué**") was published in Official Gazette number 29790 on 03 August 2016, entering into effect on the same date.

Key points under the Communiqué include:

- Municipalities, İller Bank Corporation and TOKİ (housing development administration of Turkey) can be authorized to issue urban transformation real estate certificates.
- To issue real estate certificates, the issuer's total amount of owner's equity should be more than the total amount of issued capital. However, this term does not apply to TOKİ, İller Bank Corporation and their subsidiaries.
- Issuers should obtain a long term credit rating from a credit rating agency (except TOKİ, İller Bank Corporation and their subsidiaries).
- Real estate certificates for urban transformation projects can be issued to persons determined as an owners of a right under the Laws numbered 6306, 5393, 2985 and 775.
- An independent auditing firm competent to act in capital markets will check performance and audit ownership rights, reporting the outcomes via the Public Disclosure Platform.
- Real estate certificate can be issued for more than one real estate project.
- For incomplete real estate projects, a preliminary contract for sale or pre-emption can be concluded if the contract is annotated to the land registry.

Please see this [link](#) for all other changes and full text of the relevant Communiqué (only available in Turkish).

### Related Practices

- [Real Estate and Construction](#)
- [Administrative Procedures and Actions](#)

### Related Attorneys

- [DR. E. SEYFİ MOROĞLU, LL.M.](#)
- [BURCU GÜRAY](#)