

## Incorporated Company (Inc.)

Unless otherwise stated under special laws, incorporated companies must be established with minimum 50,000 TL capital and minimum 1 shareholder. Initial capital of non-public Incorporated Companies that adopted authorised capital system may not be less than 100,000 TL. It is mandatory for their Turkish trade titles to include the expression of Incorporated Company and point out the subject of activity.

### **Documents required during incorporated company establishment stage are as follows.**

- Application letter: This document must be signed by company executive board or members authorised for representation, original or approved copy of the power of attorney must be attached if signed through proxy, the tax office to which the company shall be registered to must be indicated, and document printout at its annex must be included. Application letter must include company trade title, capital, establishment date and subject of real activities at this date must be openly expressed along with their NACE codes. It has to indicate that such information given are correct, and that any liability befalls to the person(s) signing the application in case it is determined to be false (ANNEX A1)
- Establishment Notification Form: Relevant fields must be filled in and signed by authorised person. The document should be prepared as 3 copies if no foreign partner is present, and 4 copies if a foreign partner is present (EK A2)
- Regarding natural entity partners of foreign nationality; translated and approved copies of their passports, document displaying tax number received from tax office or foreign identification numbers, and –if accommodating in Turkey- their residence permit approved at notary should be submitted.
- Document received from such country's relevant authorities proving that said individuals work or reside abroad should be submitted for Turkish citizens accommodating abroad.
- Notary approved articles of association should be prepared as 4 copies. One copy of the Articles of Association should have wet signature for purposes of control (ANNEX A3)
- Authorised persons' statements of signature under company trade title must be prepared as 2 copies.
- Founders statement signed by founders (ANNEX A4)
- Bank receipt with collected seal and signature, which proves 0.004 of the capital is deposited at the bank account of Competition Authority in Turkish Halkbank Ankara Institutional Branch with 80000011 account no. (IBAN NO: TR40 0001 2009 4520 0080 0000 11) in cash, EFT or bank transfer, should be attached.
- Regarding payment of the minimum amount indicated in the law or articles of association, a bank receipt is required showing that the share prices are paid in the account opened for this process along with the names, surnames / trade titles of

company shareholders who transferred money, amounts deposited by each partner and total deposited amount. In the event company capital is pledged to be paid partially or completely by cash, minimum ¼ of the nominal value of the cash-pledged shares should be paid prior to registration and the remainder should be paid within twenty four months following the registration of company. Bank receipt is not deemed sufficient by itself.

- Chamber registration statement: Document should be signed by authorities and should include photographs of partners (ANNEX A5)
- Expertise valuation report on the determination of the value of enterprises and other in-kinds to be taken over during establishment stage with the placed capital in kind that is prepared by experts assigned by the court, and the original or approved copies of the expert assignment letter from the court.
- Original letter to be received from relevant Trade Registry Directorate proving there is no restriction on the placed capital in-kind.
- Original document displaying that any fixed asset placed as capital in kind, intellectual property rights and other in-kinds are paraphrased in the registries they are bound in.
- Contracts signed between the company to be established and founders or other parties that are relevant to the establishment stage including those related to taking over assets and enterprises in-kind.
- For companies of which establishment is subject to a Ministry's or other public institutions' permission or approval; original letter of such permission or approval.
- Notary approved document indicating acceptance of duty for non-shareholder executive board members. This document must include settlement place, nationality, T.R. identification number if Turkish citizen, tax number received from tax office or foreign identification number if foreign national. Notary approved copies of passports have to be attached for foreign nationals, along with residence permit approved at notary if accommodating in Turkey.
- In case a legal entity is elected to the executive board, authorised organ decree should be attached, including the name-surname, address, nationality and T.R. identification number (tax number received from tax office or foreign identification number if foreign national) of the natural entity determined by and in the name of the legal entity. In the event the natural entity determined by and in the name of the legal entity is a foreign national accommodating in Turkey, residence permit along with Turkish- translated and notary-approved passport copy should also be attached.
- In the event an executive board member is a foreign national legal entity assigned by the shareholders, a document containing up-to-date registry records of the legal entity is required. This document has to be approved by the notaries in the country the company is subject to and the Turkish Consulates in said country or by Turkish Foreign Ministry, or approved in compliance to provisions of Hague Convention Abolishing the Requirement of Legalisation for Foreign Public Documents, and notary- approved Turkish translation of said documents has to be realised. In case there are foreign national legal entity partner / legal entity officials, tax numbers of such have to be indicated in the articles of association. In case the legal entity partner

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is of Turkish nationality but resides outside İzmir, the legal entity partner's relevant Trade Registry Directorate and trade registry number / tax identity number along with the Mersis number should be indicated inside the articles of association.

- In the event any minor (underage) company shareholder's mother and father or any one of his/her parents are partner to the company, decree on assignment of guardian ad litem received by court regarding the minor shareholder.
- In customs brokerage companies, notary approved customs broker permit license or assistant customs broker permit license for partners and, if any, directors assigned from outside the company authorised for customs processes. For authorised customs brokerage companies, notary approved AUTHORISATION CERTIFICATE received from the Undersecretariat of Customs for partners should be submitted.
- In case there are municipalities and other local administration or unions of such institutions exist among the founders of the corporation to be established; a copy of the Board of Ministers Decree permitting the participation of such organisations is required.

**Aspects to be taken into consideration regarding establishment of an Incorporated Company:**

- Companies have to display their fields of activity within their trade titles. In addition to this, it is possible for the entrepreneur to use any affixes excluding those that may mislead public towards a false opinion. Also, it is mandatory for the companies to include expressions such as "Limited Company", "Incorporated Company" and "Cooperative" within their trade titles. In the event the name or surname of a natural entity is included in the trade title, it is not possible for the expressions showing the type of company to be written as pseudonyms or abbreviations. It is not possible for companies to use the same trade title as another company functioning inside our country. For the trade title chosen for companies to be deemed different from a trade title used by another company, at least two sector-related words coming after the core section of the trade title should be assigned differently; when assigning trade title, no punctuation marks should be used.
- Along with the name and surname of all shareholders, executive board members and directors, the articles of association shall include their place of residence, nationalities and Turkish Republic identification numbers (tax number received from tax office or foreign identification number if foreign national).

## **Opening Branch Offices for Incorporated Companies**

**Documents required for opening branch offices for incorporated companies are listed below.**

- Companies have to display their fields of activity within their trade titles. In addition to this, it is possible for the entrepreneur to use any affixes excluding those that may mislead public towards a false opinion. Also, it is mandatory for the companies to include expressions such as "Limited Company", "Incorporated Company" and

Cooperative” within their trade titles. In the event the name or surname of a natural entity is included in the trade title, it is not possible for the expressions showing the type of company to be written as pseudonyms or abbreviations. It is not possible for companies to use the same trade title as another company functioning inside our country. For the trade title chosen for companies to be deemed different from a trade title used by another company, at least two sector-related words coming after the core section of the trade title should be assigned differently; when assigning trade title, no punctuation marks should be used.

- Along with the name and surname of all shareholders, executive board members and directors, the articles of association shall include their place of residence, nationalities and Turkish Republic identification numbers (tax number received from tax office or foreign identification number if foreign national).