



CIRCULAR NO: 2024/001eng

JUNE 3, 2024

JOINT-STOCK AND LIMITED LIABILITY COMPANIES ARE REQUIRED TO INCREASE THEIR SHARE CAPITAL TO THE NEWLY DETERMINED MINIMUM AMOUNTS BY DECEMBER 31, 2026

As is known, the Presidential Decree (PD) No. 7887, published in the Official Gazette No. 32380 of November 25, 2023, has amended the minimum capital requirements for joint-stock and limited liability companies. As per the relevant decree, the minimum capital requirement has been increased;

- from TL 50,000 to **TL 250,000** for joint-stock companies,
- from TL 10,000 to **TL 50,000** for limited liability companies,
- furthermore, the minimum initial capital requirement of TL 100,000 for non-public joint-stock companies adopting the registered capital system has been increased to **TL 500,000**.

However, following the implementation of the PD, there was no statutory requirement for joint-stock or limited liability companies with registered capital below the new minimum requirement to be considered dissolved.

The addition of provisional article 15 to the Turkish Commercial Code through Law No. 7511, published in the Official Gazette No. 32560 of May 29, 2024, stipulates that joint-stock and limited liability companies **failing to raise their capital to the specified minimum amounts by December 31, 2026, will be considered dissolved**. Non-public joint-stock companies utilizing the registered capital system, with an issued capital of at least two hundred and fifty thousand Turkish Liras, will be automatically removed from

this system if they do not raise their initial and issued capital to five hundred thousand Turkish Liras by the specified date.

Moreover, no quorum will be necessary for general assembly meetings to raise the capital to the mandated minimum thresholds. Decisions will be made based on the majority of votes cast at the meeting, and no privileges can impede these resolutions. Furthermore, the Ministry of Trade has been granted the authority to extend the deadline for achieving the minimum capital requirements up to two times, with each extension lasting a maximum of one year.

Sincerely,

**DENGE İSTANBUL YEMİNLİ
MALİ MÜŞAVİRLİK A.Ş.**

(*) The remarks in our circulars are for information purposes only. We recommend that the opinion and support of a qualified counsellor be sought before taking final action on questionable matters. Our company shall not be held responsible for any damages to be incurred as a result of transactions to be made solely on the basis of the statements in our circular.

(**) For opinions, criticism and questions about our circulars, please contact our experts below.

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