

Guide to Beneficial Ownership Information: Legal Entities and Legal Arrangements

The purpose of this country-specific guide is to provide assistance to investigators on the type of information that is available on the natural persons who control legal persons and arrangements, such as companies and trusts, or otherwise play an important role in a legal person and arrangement in **Turkey**, and the conditions that need to be met to be able to access such information. For ease of reference, the Contents of the guide are listed below.

Contents

Contents	1
I. Definitions and Company Formation Process	2
II. Types of Legal Entities	4
Limited Company.....	4
Corporation	4
III. How to Access Information	6
Registries	6
Register update	6
Other Channels.....	8
IV. Other Useful Sources of Information.....	10

I. Definitions and Company Formation Process

1. What is the definition of legal ownership in Turkey?

Article 337 of Turkish Commercial Code defines the *legal owners* as “the natural and legal persons having subscribed shares and having signed the articles of association.”

2. What does “beneficial ownership” mean in Turkey?

Article 3(1)h of the Regulation on Measures Regarding Prevention of Laundering Proceeds of Crime and Financing of Terrorism (RoM) defines *beneficial ownership* as any “natural person(s) who ultimately control(s) or own(s) natural person who carry out a transaction within an obliged party, or the natural persons, legal persons or unincorporated organizations on whose behalf a transaction is being conducted within an obliged party”. Article 17 of the RoM further specifies that the natural person partner holding more than twenty-five percent of the legal person’s shares as the beneficial owner. Where there is a suspicion that this is not the beneficial owner or where there is no natural person holding more than 25% of the company’s shares, the beneficial owner is deemed to be the natural person(s) who ultimately controls the legal person. If such a person cannot be detected, the person(s) holding the position of senior managing official is/are considered as beneficial owner.

3. How are legal entities (companies, partnerships, foundations, etc.) formed in Turkey?

There are four major steps in the formation of a company in Turkey:

1. Preparation of the articles of association via the online website of the Central Registry System (MERSIS)
2. Notarization of signatures of founders on articles of association
3. Deposit of at least 25% of subscribed capital to a bank account opened in the name of the company
4. Application to the registry office for registration with relevant documents.

4. What is the role of Company Registries in Turkey?

The registry office verifies that all legal requirements for the company’s registration are met. If so, the registry office finalizes the registration and reports it to Trade Registry Gazette for publication.

5. How is basic information and information on beneficial ownership on legal entities obtained and recorded in Turkey?

The availability of information on a company’s legal ownership depends on its form.

- For publicly traded companies on the stock exchange, legal ownership (*i.e.*, information on the shareholders) is registered by the Central Registry Agency, the central securities depository of Turkish capital markets for dematerialized securities.
- For certain companies who are subject to Capital Markets Law, such as capital market intermediary institutions, portfolio management companies and audit firms, legal ownership information is held and can be reached through either www.spk.gov.tr or www.kap.gov.tr.
- Legal ownership of non-listed companies cannot be tracked.

With respect to beneficial ownership, Turkey relies on the AML/CFT applicable to financial institutions and some categories of DNFBPs, in particular notaries public:

- Article 3 of the Law on Prevention of Laundering Proceeds of Crime (AML Law), the obliged parties are required to identify the beneficial owner
- Article 17 of the ROM (regulation implementing the AML law) provides detailed guidance on who the beneficial owner is (see question 2 above)
- In addition to the identification and verification obligations, obliged parties are required to keep identification documents for at least eight years starting from the end of the business relationship or last transaction. This information is available to law enforcement authorities, including the FIU, upon request
- Obligated parties are required to file a suspicious transaction report in case of doubts and ambiguities regarding the beneficial ownership structure of the legal persons
- MASAK, the Turkish financial intelligence unit, has the authority to collect any kind of information from public institutions and organizations, natural and legal persons and unincorporated organizations.

6. How are legal arrangements (express trusts and trust-like agreements) formed in Turkey?

Trusts are not allowed under Turkish law.

7. How is information on legal arrangements obtained and recorded in Turkey?

Trusts are not allowed under Turkish law, however foreign trusts may operate in Turkey. In that respect, information and documents held by the obliged parties pursuant to the provisions of the AML/CFT act may provide information on foreign trusts and their beneficial ownership (see question 5 above).

II. Types of Legal Entities

There are many types of legal entities able to be formed in **Turkey**. This Guide will provide information on two commonly used entities:

Limited Company

Type of legal entity	Limited Company	
What is the minimum number of natural persons required for formation?	1	
	Yes	No
Is there a requirement to register with the company registry?	X	
Is there a requirement to provide verification for identity of natural persons (shareholders, representatives of bodies corporate and beneficial owners)	X	
Is there a residency requirement for directors?		X
Are bearer shares/share warrants permitted?		X
Is a Trust and Company Service Provider required to form?		X ¹
Is a registered agent in the jurisdiction of formation required?		X ¹
Is the entity required to hold financial account(s) in jurisdiction of formation?	X	
Are tax filings required in the jurisdiction of formation (even if there are no direct tax liabilities)?	X	
Does the jurisdiction allow for nominee directors?		X
If so, are they required to disclose their status as nominee directors?		
If so, are the nominee directors required to obtain information on and/ or disclose the identity of natural person(s) on whose behalf they are acting?		
Does the jurisdiction allow for nominee shareholders?		X
If so, are they required to disclose their status as nominee shareholders?		
If so, are the nominee shareholders required to obtain information on and/ or disclose the identity of natural person(s) on whose behalf they are acting?		

Corporation

Type of legal entity	Corporation	
What is the minimum number of natural persons required for formation?	1	
	Yes	No
Is there a requirement to register with the company registry?	X	
Is there a requirement to provide verification for identity of natural persons (shareholders, representatives of bodies corporate and beneficial owners)	X	
Is there a residency requirement for directors?		X
Are bearer shares/share warrants permitted?	X ²	
Is a Trust and Company Service Provider required to form?		X ¹
Is a registered agent in the jurisdiction of formation required?		X ¹
Is the entity required to hold financial account(s) in jurisdiction of formation?	X	
Are tax filings required in the jurisdiction of formation (even if there are no direct tax liabilities)?	X	

¹ TCSPs and agents are not required to form a company under Turkish law. Public notaries have a key role in the formation of companies. They verify the information and documents gathered in a view of creating a company. When they are satisfied with the documents and information provided, they issue the articles of incorporation bearing the notarized signature of the founders.

Does the jurisdiction allow for nominee directors?		X
If so, are they required to disclose their status as nominee directors?		
If so, are the nominee directors required to obtain information on and/ or disclose the identity of natural person(s) on whose behalf they are acting?		
Does the jurisdiction allow for nominee shareholders?		X
If so, are they required to disclose their status as nominee shareholders?		
If so, are the nominee shareholders required to obtain information on and/ or disclose the identity of natural person(s) on whose behalf they are acting?		

Notes:

² - Bearer shares and bearer share warrants can be issued under the Turkish law. There is no obligation to use an authorized custodian. Information on holders of shares of publicly traded companies on the stock exchange are kept by the Central Registry Agency. This is not the case for unlisted anonym companies, whose shareholders information cannot be tracked.

III. How to Access Information

This guide will address the ability to access information on entities formed in Turkey available in 1) registries and 2) other channels.

Registries

The registry in Turkey is called the Central Registry System, MERSIS.

Contact information for the registry is provided here:

Name: Recep BOZER
Agency: Ministry of Customs and Trade
Address: Ankara, Turkey
Phone: +90 312 201 68 40
Email: r.bozer@gtb.gov.tr

The Central Registry System is available online at www.mersis.gumrukticaret.gov.tr.

In general, the following information is publicly available online (free or for a nominal fee, with no log-in requirements):

1. Name of Legal Entity
2. Entity Number (if any)
3. Type of Legal Entity
4. Current Status (active, etc.)
5. Officer / Director information (including power of representation)

In general, the following information is not available online, but may be available through another form of public access (i.e. in person only or via a pre-registration requirement) or to law enforcement, through specific procedures listed in further detail below:

1. Date of Incorporation
2. Principal Address of Business
3. Principal Purpose of Business
4. Registered Capital
5. Shareholder/Member Information
6. Articles of Incorporation
7. Application/Certificate of Formation

Register update

The company registry does not have sanction/enforcement powers to ensure that the data provided to the register is correct. Companies are required to keep the information reported to the registry up-to-date.

	Online Access (free or for nominal fee, no log-in requirements)	Other Public Access (available in person only or via pre-registration requirement)	Law Enforcement Access only	For Information/ documents accessible only by Law Enforcement, please describe how an investigator may access information
Name of Legal Entity	X			
Entity Number (if any)	X			
Type of Legal Entity	X			
Date of Incorporation		X		
Current Status (active, etc.)	X			
Principal Address of Business		X		
Principal Purpose of Business		X		
Registered Capital		X		
Registered Agent Information				
Officer/ Director Information (incl. power of representation)	X			
Shareholder/ Member Information		X		
Memorandum				
Articles of Incorporation		X		
Application/ Certificate of Formation		X		
Annual/ Biennial Reports				
Shareholder Register				
Register of Charges				
Bank Account Information				
Payment Records				
Historical Documents (example: past annual filings)				

Other Channels

The explanation below outlines the channels by which foreign authorities may obtain information on legal entities, legal arrangements, or relevant persons from different sources in **Turkey**.

Channels through which foreign authorities may obtain information

Legal entities/ Relevant Individuals (directors, shareholders, managers, associates, family members, etc.)

	Information/ Intelligence Sharing Inquiry		Explanation	Mutual Legal Assistance Request		Explanation
	Yes	No		Yes	No	
Interviews with relevant Individuals		X			X	
Records/ documents	X		In the context of ML/TF, information can be shared by the Turkish FIU with foreign FIUs using the Egmont Secure Website.	X		

Legal arrangements/ relevant individuals (trustees [nonprofessional], settlers, beneficiaries, protectors, etc.)

	Information/ Intelligence Sharing Inquiry		Explanation	Mutual Legal Assistance Request		Explanation
	Yes	No		Yes	No	
Interviews with relevant Individuals			Trusts are not allowed under Turkish law.			
Records/document s						

Financial Institutions

	Information/ Intelligence Sharing Inquiry		Explanation	Mutual Legal Assistance Request		Explanation
	Yes	No		Yes	No	
Interviews with personnel		X			X	
Accounts records/ documents	X		In the context of ML/TF, information can be shared by the Turkish FIU with foreign FIUs using the Egmont Secure Website.	X		

Trust and Company Service Providers

	Information/ Intelligence Sharing Inquiry	Explanation	Mutual Legal Assistance Request	Explanation

	Yes	No		Yes	No	
Interviews with personnel	There are no TCSPs in Turkey ² .					
Accounts records/ documents						

Other Designated Non-Financial Businesses and Professions

	Information/ Intelligence Sharing Inquiry		Explanation	Mutual Legal Assistance Request		Explanation
	Yes	No		Yes	No	
Interviews with personnel		X			X	
Accounts records/ documents	X		In the context of ML/TF, information can be shared by the Turkish FIU with foreign FIUs using the Egmont Secure Website.	X		

² Services to companies are provided by accountants, sworn-in certified accountants, and lawyers.

IV. Other Useful Sources of Information

Resource Name	Web Link
Financial Crimes Investigation Board	www.masak.gov.tr/en/default
The Financial Crimes Investigation Board, MASAK, is the Turkish FIU.	
Directorate General for International Law and Foreign Relations Ministry of Justice	www.uhdigm.adalet.gov.tr/english/eng_index.html
The Directorate General for International Law and Foreign Relations of the Ministry of Justice is the central point for mutual legal assistance in Turkey.	