





INTRODUCTION

Due to its rapidly growing economy and young population, qualified workforce, geographical and geopolitical position, liberal investment environment and free trade, Turkey has been one of the most preferred countries by foreign investors in recent years.

Enacted In 2003 with the introduction of "Foreign Direct Investment Law" the number of foreign investments and companies in Turkey continues to increase. Foreigners who make direct investments can benefit equally with domestic investors from the all incentives. In addition, foreigners who have long-term and direct investments can benefit from the facilities offered by the Turkish Government.

Turkey has tax treaties with many countries such as the US, Germany, Azerbaijan, China, France, South Korea, Georgia, Iran, Qatar, Cyprus, Malaysia, Pakistan, Russia, Singapore, Jordan in order to prevent double taxation of the investors both in their home country and Turkey.

Foreign investors have the possibility of setting up joint stock company, limited liability company and partnership. However, they may choose to take over shelf companies in order to avoid dealing with incorporation work.



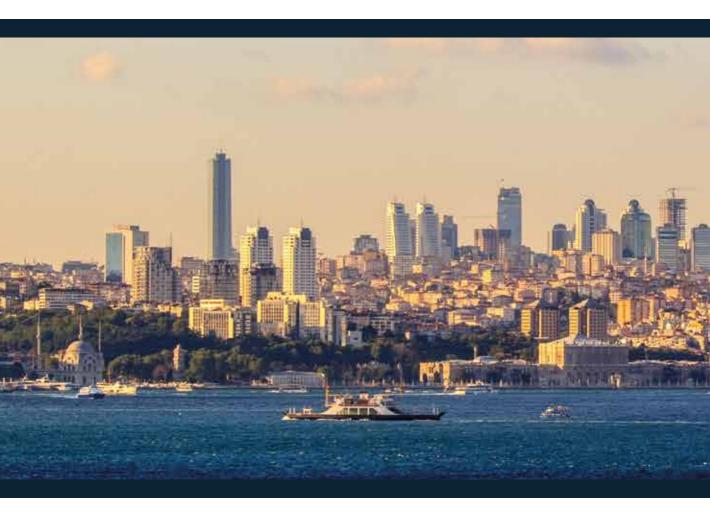
Furthermore, a significant increase has been observed in the number of foreigners in the country along with the increase of migration to Turkey in recent years. According to "International Migration Statistics" that published by Turkey Statistical Institute (TUIK) in 2018 relation to last year; the number of immigrants to Turkey last year has experienced an increase of 22.4 percent compared to the previous year and became 466.333 people.

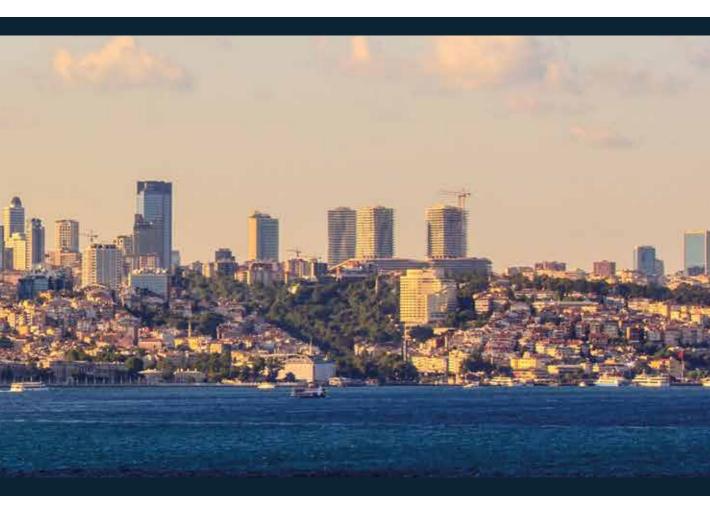
With these developments, the Turkish Government, aiming to revitalize the economy, especially the real estate sector, has made some legal arrangements and facilitated the acquisition of Turkish citizenship by means of investment.

In this regard, acquiring Turkish citizenship as an exceptional way by means of investment is discussed in our guidance in detail.

We hope that our guidance will be helpful and guiding to those who are planning to acquire Turkish citizenship.

PSL LAW





ACQUISITION OF THE TURKISH CITIZENSHIP BY THE WAY OF INVESTMENT

In the Article 12 of the Turkish Citizenship Law No. 5901, exceptional ways are regulated for the acquisition of Turkish citizenship. Also, secondary legislation on the implementation of the Turkish Citizenship Law specifies the conditions for the exceptional acquisition of Turkish Citizenship by the way of investment. With the Presidential Decree No. 106 published in the Official Gazette dated 19.09.2018, the amendments to the aforementioned regulation have reduced the amount of investment required for acquiring Turkish citizenship.

Accordingly, the foreigner who fulfils any of the following conditions may acquire Turkish citizenship based on the Presidential Decree:

- who makes fixed capital investment of at least 500.000 US Dollars or equivalent foreign currency or equivalent amount of Turkish Lira and for whom certificate of conformity is issued by the Ministry of Industry and Technology,
- who purchases the immovable property valuing at least 250.000 US Dollars or equivalent foreign currency or equivalent amount of Turkish Lira and attached annotation at land registration not to sell this property for three years and for whom a certificate of conformity is issued by the Ministry of Environment and Urbanization,
- who employs at least 50 employees and for whom a certificate of conformity is issued by the Ministry of Family, Labour and Social Services,



- who invests at least 500.000 US Dollars or its equivalent in foreign currency or equivalent amount of Turkish Lira and makes commitment to hold the amount of deposits for three years at banks operating in Turkey and for whom a certificate of conformity is issued by the Banking Regulation and Supervision Agency,
- who purchases public borrowing instruments at least 500.000 US Dollars or equivalent foreign currency or equivalent amount of Turkish Lira and makes commitment to hold these instruments for three years and for whom certificate of conformity is issued by the Ministry of Treasury and Finance,
- who purchases a real estate investment fund participation share or venture capital investment fund participation amount of at least 500.000 US Dollars or equivalent foreign currency or equivalent amount of Turkish Lira and makes commitment to hold these participation shares for three-years and for whom a certificate of conformity is issued by the Capital Market Board.
- who purchases the immovable property whose condominium or floor easement is established with the value of at least 250.000 US Dollars or equivalent foreign currency or equivalent amount of Turkish Lira paid in cash in advance of the sale of the contract held by the notary public and attaches annotation at land registration not to sell or transfer this property for three years.

In determining the monetary value of the above, the effective and/or cross exchange rates determined by Central Bank of Turkey will be taken into consideration. In addition, the transition between investment types is possible to complete the specified 3-year period. As explained above, the spouse and children below 18 years old of the applicant who applied for Turkish citizenship by the way investment can acquire Turkish citizenship, too.

APPLICATION PROCESS AND REQUIRED DOCUMENTS

Citizenship application is made personally or with a special power of attorney to;

- the Directorate General of Civil Registration and Citizenship Affairs,
- Provincial Civil Registration and Citizenship Directorate or
- the Republic of Turkey Embassy and Consulate General.

Preliminary Application

The preliminary application form is filled in by the foreigner who makes preliminary application and the documents required according to the application form specified therein are added to the form and the application is made to the designated authority. Based on the case, documents to be added to the preliminary application form are as follows:

- Passport copy
- Notarized copy of residence permit
- Notarized copy of Turquoise card
- Approved land registration of immovable property
- Copy of the deposit document



- A document indicating the purchase of securities from the bank or brokerage firm and the
- document to be obtained from the bank or the brokerage house showing that the pledge-warranty relation is established in the accounts to be opened in the name of the relevant administration
- Letter of consent from notary (It specifies clear consent for depositing and depositing of securities and records in land registry records, registration of land registry records and registration between institutions)

Document including company information

Process After Preliminary Application

We can briefly summarize the process after the preliminary application to be conducted by the designated authority as follows;

- The preliminary application form is checked, and any deficiencies are completed.
- It is determined whether it meets the requirements stated in the secondary regulation.
- The citizenship file consisting of following documents specified in the secondary regulation shall be drawn up:
 - Request form/petition
 - A passport or similar document showing the state of the person; if the person is stateless; a document of statelessness in case of availability
 - The certificate of marital status or the marriage certificate if married, the divorce certi-







ficate if divorced, spouse's death certificate if the person is widow.

- Birth certificate including personal identifying information or an identity register copy.
 If the person is married, a copy of family register proving family ties of spouses and children or a similar document.
- If the person has first or second-degree Turkish citizen relatives, identity register copy taken from the system by the designated authority of these persons.
- If the person does not have date of birth, the document obtained from the competent authorities of his country for the completion of his date of birth. If it is not available, the signed declaration of acceptance of the transaction pursuant to the Law on the Civil Registration Services No. 5490.
- A receipt showing that the service fee has been deposited in the pay-office of Ministry of Treasury and Finance. (The service fee was determined as TRY 15,00 for each person in 2018.)
- After the required procedures are completed; the results of the acceptance or rejection of the application shall be communicated to the relevant persons by the provincial directorate or foreign representative offices.



CANCELATION OF TURKISH CITIZENSHIP

Foreigners who are found to meet the conditions specified in the secondary regulation must continue to have these conditions for the period of three years. Monitoring and determination of this issue shall be carried out by the competent Ministry or the Authority.

If it is determined that the real estate is sold before three years, the deposit or the state debt instrument is not kept for three years, it is notified to the General Directorate of Civil Registration and Nationality by the competent Ministry or the Authority.

In the event of such notification by the relevant Ministry or the Authority, General Directorate of Civil Registration and Nationality shall revoke the relevant person's Turkish nationality in accordance with the Law.





ACQUISITION OF TURKISH CITIZENSHIP WITH THE REAL ESTATE INVESTMENT

The most preferred and demanding way for the acquisition of Turkish Citizenship by means of investment is the acquisition of real estate. Therefore, we separately consider this topic in our guidance.

As we mentioned above, it is possible for foreign nationals to acquire Turkish citizenship in exceptional cases "who purchase the immovable property at least 250.000 US Dollars or equivalent foreign currency or equivalent amount of Turkish Lira and attached annotation at land registration not to sell this property for three years and for whom a certificate of conformity is issued by the Ministry of Environment and Urbanization,".

On condition that compliance with the restrictions stated in Turkish regulations; foreign nationals can buy any immovable property such as offices, houses, lands. In this context, for to determine the amount of 250.000 USD of immovable property a valuation report is required that;

- shows the market value and
- prepared in accordance with the valuation standards by the valuation expert who is approved by the CMB and has a valid license.



The USD-denominated value of real estate in the valuation reports is calculated based on the Turkey Central Bank's effective and / or cross exchange rates on the date of transaction.

In the formal deed to be issued, it should be noted that "the foreign natural person commits that he buys the real estate to acquire the Turkish Citizenship and not to sell the immovable for a period of 3 years within the scope of the secondary regulation."

Besides, by adding the commitment that in the formal deed; an annotation is put onto the title deed as "within the scope of the Article 20 of the Secondary Regulation on the Implementation of the Turkish Citizenship Law, there is a commitment that it will not be sold within three years from the date of acquisition." Upon completion of the transactions, the deed is handed to the related person.

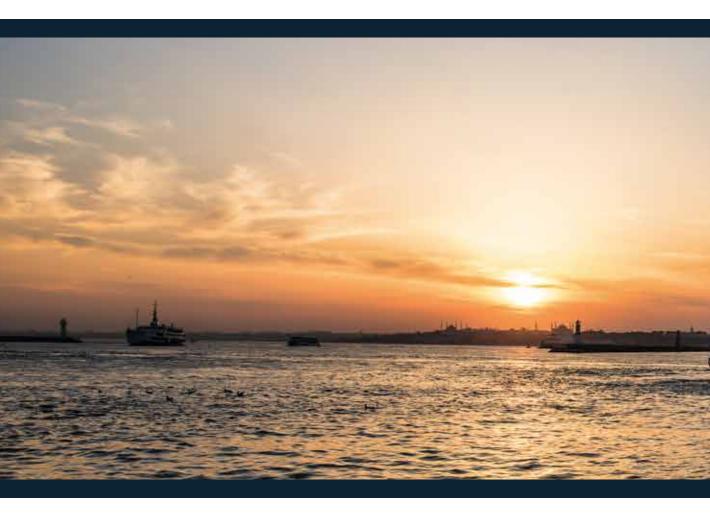
In order to complete the transactions in the deed, following fees must be paid:

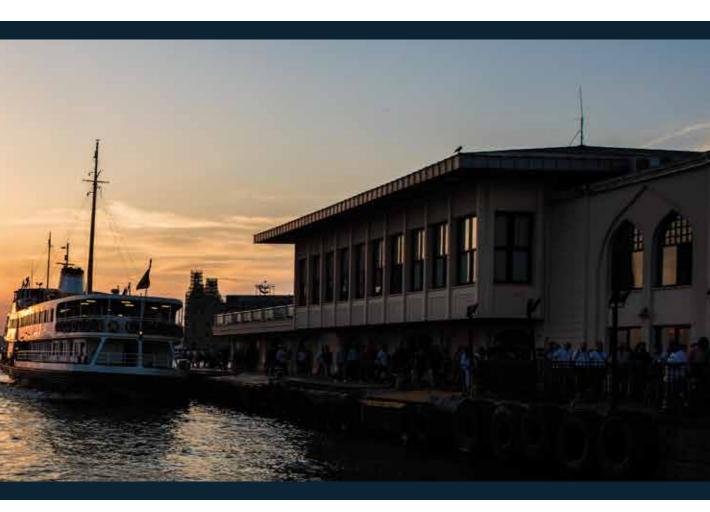
- title deed fee
- working capital fund fee
- Directorate of Land Registry's service fee

Finally, with the recent amendment in the legislation those who;

- purchase the immovable property whose condominium or floor easement is established, with the value of at least 250.000 US Dollars or equivalent foreign currency or equivalent amount of Turkish Lira paid in cash in advance of the sale of the contract held by the notary public and
- attach annotation at land registration not to sell or transfer this property for three years.

will be also able to acquire Turkish Citizenship through a real estate investment in Turkey.





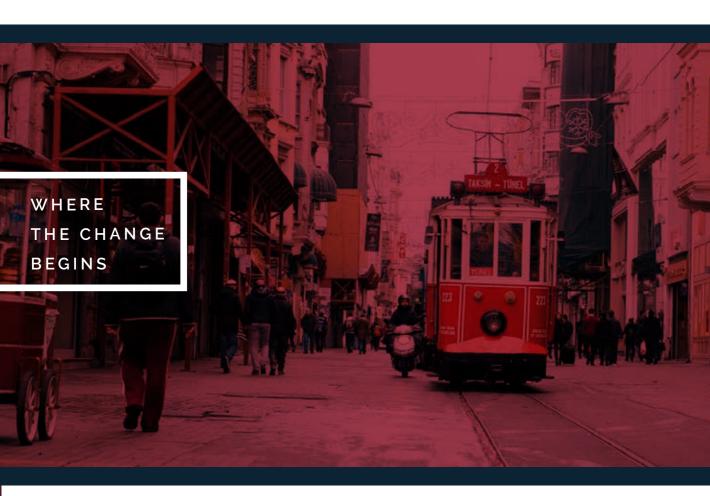
OUR SERVICES FOR ACQUISITION OF TURKISH CITIZENSHIP BY THE WAY OF INVESTMENT

The process of acquiring Turkish Citizenship by the way of investment can be quite complex for foreigners as it consists of more than one stage.

In this process, working with professionals who have expertise in this field is of great importance in terms of managing the process accurately and guickly and getting results as soon as possible.

With our professional and experienced team, we, as PSL Law, provides following services:

- gathering the necessary documents, based on the type of investments to be made in Turkey
- Follow-up and finalization of the citizenship application process and follow-up of all procedures
- Providing consulting services relating to Real Estate Law and acquisition of immovable property in Turkey
- legal consulting services relating to company establishment and registration in Turkey





ABOUT US

Founded in 2018 in Istanbul, PSL Law provides comprehensive and qualified legal consulting attorneyship services to local and foreign clients both in national and international fields of law.

Our office, which offers fast, effective, and up-to-date solutions with a result-oriented approach in the context of ever-changing and increasing legal needs to provide the best service in all areas of law, closely monitors current legal developments and changing legislation, and provides services specific to the needs of individual and corporate clients within the framework of professional ethics and social values.

PSL Law aims to provide added value to its clients in business life with its business discipline and regular business follow-ups and aims at sustainable success with the right values, working culture and principles. Qualified services and satisfaction of our clients are the most important elements for us.

PSL Law places importance on specialization as an innovative law firm. One of the points that make us different from others is that we are focusing on the areas where we are most experienced. In this sense, we have an important expertise in IT law, energy law, e-commerce law, tax law and foreigners and citizenship law.



OUR TEAM



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Özlem graduated in 2009 from the Istanbul University Faculty of Law. Since successfully completed her internship in 2010, she is registered at Istanbul Bar. She has worked as a lawyer and legal counsel in leading law firms in Istanbul.

In 2018, she founded PSL Law Office and specialised in the following areas:

- Information Technology Law
- Energy Law
- E-Commerce Law
- Tax Law
- Foreigners and Citizenship Law

Özlem speaks fluent English.







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