

## **Direct Foreign Investment Law in Turkey**

As is known, the Law no. 4875 on Direct Foreign Investments, published on April 17, 2003 and come into force consequently, has abrogated the Law no. 6224 for Promoting Foreign Capital and brought in an important renewal in terms of foreign investments and changed the “permission and approval” system by the “notification” system in respect of any foreign investments due to come to Turkey. Together with this arrangement, it is not necessary for the investor to get permission from the Undersecretariat of State for Treasury of the Republic of Turkey on the matters that are defined in the second article of the Law no. 4875 and included in the direct foreign investment conception, and to fulfill its obligation to inform the General directorate of Foreign Capital within the prescribed procedures and principles, determined by the Application Regulation of the Direct Foreign Investment Law, come into force on August 20, 2003

Being a “foreign investor” according to the sub-paragraph no. a/2 of Article 2 of Direct Investment Law (DYK) is to conduct in the same manner is a “direct foreign investment” according to the subparagraph no. b of Article 2 of the same Law. Within this scope, foreign entities engaged in investment will benefit from all advantages and conveniences that may be provided by Article 3 of the DYK, and on the other hand, is subject to the notification obligation, envisaged in the related regulation and also to the principles pertaining to thereto. The advantages that a foreign investor may have within the scope of Article 3 of DYK may be listed as follows:

\*To set free any foreign investors to make direct foreign investment in Turkey unless it is indicated otherwise by the provisions of private law and international agreements;

\*To make the foreign investor be subject to equal treatment with the domestic investors;

\*Not to nationalize or expropriate the direct foreign investments unless the public benefit requires so and they are remunerated accordingly pursuant to the applicable legislation;

\*Possibility of transferring any net profit, dividend, sales, liquidation and compensation values, any amounts that may arise from the activities and procedures of the foreign investors in Turkey to be payable in return to any licenses, management and similar agreements, and payments of the principals and interests of any foreign loans by means of banks and private financial institutions freely to abroad;

\*To set free any foreign companies at the status of a legal entity that the foreign investors may have established in Turkey or participated in to acquire any immovable assets or limited rights in-kind in the regions open for the acquirement of Turkish citizens;

\*Legal opportunity to apply to any national and international arbitration institutions or any other settlement channels along with any competent courts pertaining thereto, on condition that the conditions, indicated at the related legislation applicable thereto, come out and parties agree upon in that respect, for the settlement of investment disputes arising from the public service concessions and contracts due to be executed by the related foreign investors with the administration and settlement of any disputes that are arisen from any investment contracts subject to the private law;

\*The determination of value of the capital beyond cash shall be made within the framework of the provisions of the Turkish Commercial Code. To take the assessments of any international assessment bodies or experts due to be determined or designated by the courts of country of origin or competent authorities, authorized to make assessment according to the applicable legislation of the country of origin as basis in case of the use of securities of any companies, established in foreign countries, as an investment instrument,

\*Issuance of a work permit by the Ministry of Labor and Social Security for any foreign origin personnel to be employed at the companies, branches and corporate bodies, established within the scope of the Law on Direct Foreign Investments;

\*Issuance of a license for the companies, established according to the laws of foreign countries, to open a liaison office in Turkey, provided not to involve in any commercial activities there.

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He graduated from Anatolian High School of Karadeniz Ereğli, after his graduation he studied in Belgium with AFS intercultural exchange program. He obtained his law license degree from Marmara University of Law Faculty. During his university education, he participated in Philip C. Jessup International Law Moot Court Competition on behalf of the Marmara University. After his admission to Istanbul Bar Association in 2009, he obtained master degree (LL.M) from Gent University / Belgium in the field of European and Comparative law. His master research was about Freedom of Establishment In Relation With Turkey and EEC in the frame of Ankara Agreement. He is specialized in International Private Law, European Law, Real Estate Law, Penal Law and Tort Law. He speaks fluent English and has good command of Dutch and French. He is also authorized as a solicitor, barrister.

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