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## Good News for Young Entrepreneurs; New Income Tax Exemption

### Highlights of this issue

New Thresholds for Determining  
the Companies Subject to Internal Audit.

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Banking: What's new?

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## A New Income Tax Exemption for Young Entrepreneurs

The Law Amending the Income Tax Law and Other Laws No 6663 (the Amending Law) was published in Official Gazette on 10 February 2016 and entered into effect as of such date.

According to the Amending Law, individuals liable for tax and under 29 years of age who are obliged to pay income tax for the first time in relation to their commercial, agricultural and professional activities are exempt from income tax on their revenue up to TRY 75.000 for three taxation periods if the following requirements are met:

- The starting date of their employment is notified within legal notice period
- He/she runs his/her own business or manages his/her business
- Professional activities or businesses cannot be taken over from spouses or blood relatives or up to third-degree relatives except if the activities are taken over by a spouse and/or children in case of death
- He/she should not subsequently become a partner to an existing business or professional activity
- In case business activity is carried out under an ordinary partnership or unlimited company, all partners shall meet these conditions



Under the Amending Law, the annual tax return must still be submitted even if the income generated is lower than TRY 75.000 or if there is no income at all.

This exemption is not applicable to taxes paid in accordance with Article 94 of the Income Tax Law.

The Turkish language text of the Law can be found at the following link:

<http://www.resmigazete.gov.tr/eskiler/2016/02/20160210-15.pdf>

### **The Regulation Amending the Regulation on Implementation of Private Security Services Law**

The Regulation Amending the Regulation on Implementation of Private Security Services Law (the Regulation) was published in Official Gazette dated 2 March 2016 and came into effect as of that date.

The Regulation introduced changes in relation to certification of expert lecturers. Accordingly the requirement for an examination carried out by the Ministry of Interior is cancelled and fulfilment of the conditions set out in Annex 11 of the Regulation is sufficient for being deemed an expert lecturer.

The Turkish text of the Regulation can be found at the following link:

<http://www.resmigazete.gov.tr/eskiler/2016/03/20160302-1.htm>

For further information please contact us at [contact@gokce.av.tr](mailto:contact@gokce.av.tr)

### **The Regulation Amending the Regulation on Incorporation and Operation Principles of Asset Management Companies**

The Regulation Amending the Regulation on Incorporation and Operation Principles of Asset Management Companies (the Regulation) was published in Official Gazette dated 5 March 2016 and came into effect as of that date.

Under the Regulation, asset management companies (AMC) are listed as “Other financial institutions” and their minimum paid-in capital requirement has been increased from TRY 10 million to TRY 20 million. The existing AMCs are given time until 31 December 2016 to increase their paid-in capital to such amount. Furthermore Banking Regulation and Supervision Agency is entitled to review and evaluate operation licenses of AMCs.

As for operations of the AMC; (i) collecting the assets or receivables of banks, saving deposit insurance fund (TMSF), credit insurance companies and other financial institutions and (ii) investing in the financial instruments are listed within the scope of the AMC.

The Regulation also introduces new provisions regarding management of the AMCs such as necessary documentation for appointment of directors/general managers and conditions for internal monitoring and data systems which shall be fulfilled until 31 December 2016.

Turkish language text of the Regulation can be found at the following link:  
<http://www.resmigazete.gov.tr/eskiler/2016/03/20160305-2.htm>

### **Council of Ministers Decree Amending the Decree Regarding the Determination of the Companies Subject to Independent Audit**

The Council of Ministers Decree Amending the Decree Regarding the Determination of the Companies Subject to Independent Audit (the Decree) was published in the Official Gazette dated 19 March 2016 to be effective as of 1 January 2016.

As per the Decree, some criteria for being subject to internal audit are amended. Accordingly, total asset threshold is decreased to TRY 40 million from TRY 50 million and net sale revenue threshold is decreased to TRY 80 million from TRY 100 million. Furthermore, the thresholds for the companies listed in Annex II of the Decree are decreased respectively.

The Turkish language text of the Decree can be found at the following link:

<http://www.resmigazete.gov.tr/eskiler/2016/03/20160319-7.pdf>



## The Regulation Amending the Regulation on the Measurement and Evaluation of the Liquidity Coverage of Banks

The Regulation Amending the Regulation on the Measurement and Evaluation of the Liquidity Coverage of Banks (the Regulation) was published in Official Gazette dated 10 March 2016 and came into effect as of 1 January 2016.

According to the Regulation until 31 December 2016 foreign exchange indexed assets and liabilities shall be deemed as assets and liabilities of foreign currency for purposes of calculating foreign exchange liquidity coverage ratio. For purposes of calculating the total liquidity exchange ratio they will remain to be deemed as Turkish currency assets and liabilities.

The Turkish language text of the Regulation can be found on the following link:

<http://www.resmigazete.gov.tr/eskiler/2016/03/20160310-12.htm>

### Decision of High Board of Privatization

By decision of the Privatization Administration Authority, Eti Bakır A.Ş. who was the highest bidder with a bid of TL 76 million is granted;

(i) operating rights for the Inebolu Port located in Inebolu/Kastamonu for a period of 49 years,

(ii) sale/transfer of real properties including Hopa Thermal Plant and the assets on the same, the real estate located on the 145th block 96th and 97th layout in Poyraz/Mazıdağı/Mardin, 1/3 share located on 1382nd block and 15th layout in Ortaköy/Beşiktaş/İstanbul, the real property located on 1016th layout in Göktürk/Eyüp/İstanbul.



The Turkish language text of the decision can be found at the following link: <http://www.resmigazete.gov.tr/eskiler/2016/03/20160319-19.htm>

### Recent Competition Board Decisions

The Competition Board approved the acquisition of all shares of Visa Europe Limited by Visa Inc. with its decision dated 24 December 2015 and numbered 15-45/753-275.

The Competition Board approved the joint control of Bombardier Transportation (Investment) UK Limited by CDP Investissements Inc. with its decision dated 6 January 2016 and numbered 16-01/13-6.

The Competition Board approved the transaction which put RTS Rental Tedavi Hizmetleri San. ve Tic. A.Ş under the sole control of Baxter Healthcare S.A. with its decision dated 14 January 2016 and numbered 16-02/35-12.

For further information please contact us at [contact@gokce.av.tr](mailto:contact@gokce.av.tr)

# Answers. Not theories.

## Gokce Attorney Partnership

### Editors:



**Bora Yazıcıoğlu**  
bora.yazicioglu@gokce.av.tr



**Zeynep Inal**  
zeynep.inal@gokce.av.tr

## About our firm

Gokce Attorney Partnership is an Istanbul-based law firm offering legal services across a broad range of practice areas including mergers and acquisitions, joint ventures, private equity and venture capital transactions, banking and finance, capital markets, insurance, technology, media, telecoms and internet, e-commerce, data protection, intellectual property, regulatory, real property, and commercial litigation. Please visit our web site at [www.gokce.av.tr](http://www.gokce.av.tr) for further information on our legal staff and expertise.

**Please contact us at**  
**contact@gokce.av.tr**  
**0 212 352 88 33**

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