

REFORMS IMPLEMENTED TO IMPROVE INVESTMENT ENVIRONMENT

YOIKK Reform Package

March 2018 – The YOIKK Reform Package enters force.

Developed in line with the 2017-2018 Action Plan that the Coordination Board for Improving the Investment Climate (YOIKK) devised earlier, a much anticipated reform package has finally taken effect. The YOIKK Reform Package was officially signed into law with the passage of two omnibus bills – Law No. 7099 on the Amendment of Certain Laws for the Purpose of Ameliorating the Investment Environment and the Law on the Amendment of the Enforcement and Bankruptcy Law No. 7101. and Certain Laws. Both have been published in the Official Gazette. The reform package includes a number of secondary legislative amendments.

Below are some of the key amendments that the reform package is set to offer in order to streamline bureaucratic procedures and positively affect the investment environment:

- All company establishment procedures shall be realized at the Trade Registry Directorates. There shall be no need to go to other institutions such as Notary, Social Security Institution, or the Tax Office. Seven different procedures will be reduced to a single procedure.
 - Ratification of signatures and company books will be made possible at the Trade Registry Directorates without needing to be notarized.
 - Enrollment of the newly founded company in the Social Security Fund shall be automatically realized.
 - The Competition Agency share, an additional mandatory fee to be deposited at the Bank, will be collected by the Trade Registry Directorates.
 - The 25% capital retention requirement for limited liability companies is being removed.
- With the amendments in the Enforcement & Bankruptcy Law, postponement of bankruptcy is revoked and substituted instead by a facility to restructure debts (salvage agreement).
 - The liquidation period, which in the past lasted 5-8 years, is now limited to 23 months. Company liquidation must be completed within this new time frame.
 - Voluntary salvage agreement before insolvency may be requested.
 - In the event of liquidation, if considered for the benefit of companies, the companies may be sold as a whole.
 - Trade lawsuits under TRY 100,000 will be subject to simple prosecution procedures and shall be adjudicated faster.

- Procedures that once comprised 18 steps to issue construction permits are now down to as few as 6 steps.
- Investors' procedures to be concluded at the municipalities will be facilitated with the e-Municipality system that the Ministry of the Interior is due to launch.
- Infrastructural investments to enable mobile phone and Internet connection in rural areas will be allowed.
- An upper limit shall be applied to the shipment, evacuation, storage, on-site handling costs and similar costs for foreign trade in an effort to reduce costs.
- Monthly paid social security and tax returns (statements) are being consolidated.