

JANUARY 2022

Amendments on the Regulation on the Implementation of the Turkish Citizenship Law

Regulation amending the “Regulation on the Implementation of the Turkish Citizenship Law” (“the Regulation”) has been published in the Official Gazette (No. 31711) on January 6, 2022 which introduces the changes in the process required for acquiring Turkish citizenship by way of investment.

Pursuant to the new rules, it is not permitted to invest in Turkish Liras for acquiring Turkish citizenship. Before the amendment, although the monetary thresholds are specified in the USD denomination, investors were free to use Turkish Liras or other foreign currencies in their investments so long as the USD equivalent of investment value met the respective threshold condition. The part of Article 20 of the Regulation stating that investors can use Turkish Lira to make payments has been removed and Article 20 is amended as follows:

- Foreigners who make a fixed capital investment amounting to a minimum of \$500.000 or equivalent foreign currency in a Turkish corporate entity;
- Foreigners who purchase a real estate property with a minimum value of \$250.000 or equivalent foreign currency and register an annotation of no-sale for at least three (3) years at the relevant title registry; or foreigners who conclude a presales contract executed before a notary public on the condition that at least \$250,000 or amount of foreign currency is paid in advance and such notarized preliminary sale contract is registered at the relevant title registry with the undertaking not to transfer or assign the agreement for a period of three (3) years ;
- Foreigners who employ at least 50 people.
- Foreigners who deposit a minimum of \$500.000 or equivalent foreign currency to banks that operate in Turkey with the condition to keep such deposit in the relevant bank for at least three (3) years;
- Foreigners who purchase state debt instruments with the value of a minimum of \$500.000 or equivalent foreign



currency and keep in reserve for at least three (3) years

- Foreigners who purchase real estate fund share and venture capital investment fund share with a minimum value of \$500.000 or equivalent amount of foreign currency on the condition to keep those in reserve for at least three (3) years

can be granted citizenship, subject to the approval and an administrative decision of the President.

According to the new rule above mentioned, the foreign currency must be sold to a bank operating in Turkey before the transaction and then must be sold to the Central Bank of the Republic of Turkey ("CBRT") through the bank operating in Turkey.

If the investment is made by the way of depositing a certain amount to the bank, the CBRT will keep the amount in Turkish lira deposits, and if the investment is made by the way of Turkish debt instruments, the CBRT will keep the amount in governmental debt instruments for three (3) years. The CBRT will determine the principles regarding the sale of investment amounts in foreign currency to the CBRT.

According to the amendment, a commission consisting of the representatives of the Ministry of Labor and Social Security, the Ministry of Environment, Urbanization and Climate Change, the Ministry of Treasury and Finance, and Ministry of Industry and Technology can be established within the Ministry of Interior in order to monitor the process regarding citizenship applications.

CONTACT US

Beybi Ciz Plaza, Office 43
Maslak 34398
Istanbul, Turkey
+90 (212) 215 30 00
info@gurulkan.com
www.gurulkan.com