

## Who can buy a real estate in Turkey?

### Foreign nationals (real persons)

According to the law on 'property purchase by foreigners in Turkey' enacted on January 7, 2006, foreign nationals (real persons) are able to acquire real estate in Turkey on the conditions of being reciprocal and complying with legal restrictions.

In implementation of the reciprocity principle, it is essential that real estate acquisition rights given by a foreign country to its own citizens and to commercial companies established in foreign countries according to the laws of these countries are also given to the citizens and commercial companies of the Republic of Turkey.

In this context, there exist reciprocity between the United Kingdom and the Republic of Turkey regarding real estate acquisition.

### Foreign companies

According to the law on 'property purchase by foreigners in Turkey' enacted on January 7, 2006, foreign commercial companies having legal personality established in foreign countries according to the laws of those countries are able to acquire real estate in Turkey on the conditions of being reciprocal and complying with legal restrictions.

However, those companies which are legal entities can buy property provided that they operate pursuant to the special laws such as the Tourism Encouragement Law, the Oil/Petroleum Law, and the Industrial Zones Law etc. In addition, foreign legal entities other than the above mentioned commercial companies, such as foreign charities, foreign foundations and foreign societies, etc. cannot buy property in Turkey.

### Companies established/participated by foreign nationals (FDI Companies)

Companies can freely acquire real estate or limited rights in rem through a legal entity established or participated in Turkey by foreign investors provided that such acquisitions are permitted for Turkish citizens.

## What is the legal framework for property ownership?

The Constitution, the relevant provisions of the Civil Code, the Title Deeds Act, the Foreign Direct Investment Law and the relevant legislation form the legal framework which enables foreign people or corporate entities to buy real estate in Turkey.

## Are Turkish citizens and foreigners treated differently?

According to the legal framework mentioned above, both Turkish citizens and foreign owners have equal property-ownership rights.

## Can you assign someone for your all transactions? Power of Attorney

### Delegation of authority

There are several steps to be followed in buying a property. That's why it is suggested that you appoint someone or an agent to deal with all necessary transactions by means of a legal document called "Power of Attorney" for buying property. This should be done in the presence of a Notary-Public.

A Principal (the person who delegates his authority) can give an Agent broad legal authority, or very limited authority. The Power of Attorney is frequently used to help in the event of a Principal's illness or disability or in legal transactions where the principal cannot be present to sign necessary legal documents.

### Suggested duration for a Power of Attorney

Under what conditions and how long a Power of Attorney shall be in force and end should be clearly defined.

### What can be delegated?

A Power of Attorney can be used to make an Agent

- Buy, sell or rent out your property,
- Manage your property,
- Conduct your banking transactions,
- Invest or make use of your money on behalf you,
- Make legal claims and conduct litigation or
- Carry out tax matters.

The conditions such as the duration of validity, actions that the agent can take and cannot take etc. should be stated clearly in those documents.

### Abuse of a power of attorney or frauds

A Power of Attorney can be abused, and a dishonest Agent may use a Power of Attorney to transfer your assets to himself. That is why, it is very important to appoint an Agent who is completely trustworthy and to require the Agent to provide you with complete and periodic reports.

If your agent is a professional accredited by an occupational association, you should complain about him/her against that association in case of an abuse.

Please also note that you can apply to public attorneys in local justice courts ('Adliye Sarayi' in Turkish.) and complain about any abuse or fraud if you are able to document the case.

### **Abolishment of Power of Attorney**

You may revoke the Power of Attorney at any time, in the same way in which it was issued. In other words you should contact the Notary Public in Turkey or Turkish Consulate General in London to revoke the Power of Attorney. In that case, you should send a written notice to your Agent and say that you are revoking the Power of Attorney. Do not forget to request the return of all copies of your Power of Attorney. You should also notify your bank or other financial institutions where your Agent is likely to use the Power of Attorney that it is no longer valid.

### **Can you have a Power of Attorney prepared in UK?**

You don't have to go to Turkey to prepare a Power of Attorney. You can have it prepared in UK. In that case, please make sure that it is legalised so that it can be 'an acceptable/valid document' in Turkey.

### **How to legalise your documents prepared in UK?**

Legalisation simply means confirming that a signature, seal or stamp appearing on a document is genuine. The signatures or seals of British public officials such as solicitors, notaries public, registrars on certain documents from the United Kingdom have to be confirmed before those documents can be accepted in Turkey.

On the other hand, many types of documents can be apostilled by the Foreign and Commonwealth Office ([www.fco.gov.uk/legalisation](http://www.fco.gov.uk/legalisation)) and are exempt from certification by the Consulate General.

### **Are there any (universal) mortgage companies in Turkey?**

There had been no universal mortgage system in Turkey until 6 March 2007. However, the mortgage law was adopted by the Turkish Parliament and published in Official Gazette on 6 March, 2007. The new law makes mortgages available over long periods to house buyers and is expected to transform both the housing market and the Turkey's urban environment.

### **Translation professionals**

You are strongly advised to have the contracts you are to sign with a seller

- translated by a Sworn-translator and
- ratified by a notary public

If you have difficulty in finding a local sworn-translator, you can ask a notary-public to give you a list of translation professionals they use.

### **How to find financial resources to buy property in Turkey?**

In order to buy a property in Turkey, you can re-mortgage your property in the UK. In addition, if you can provide Turkish financial organisations with acceptable financial guarantees such as a bank guarantee letter, etc those institutions can supply you with a long-term loan. However, please note that in case you have a financial trouble in paying back the loan, the relevant company may confiscate the property on finance.

### **3.1 Double checking the property**

Once the sale and purchase conditions are agreed with the owner or with his/her agent, you are advised to ask for a copy of the TAPU (Title Deeds) and double check whether:

- The TAPU really belongs to the property you are interested in
- It is a residential or commercial property in a zone covered by an Implementary Development Plan or a Local Development Plan (If not, please note that the new Title Deeds law does not allow you to buy it, please give up buying it)
- The property really belongs to the person who introduced himself to you as the 'owner' (Compare the ID card of the person to the TAPU of the property)
- A joint ownership is in question (if so, whether all of the shareholders comply with the sale)
- No annotation prohibiting the sale/purchase of the property appears on the TAPU (Unless the prerequisites envisaged by the annotation are met, the sale is impossible).
- The Implementary Development Plan (Imar Planı) or the Local Development Plan allows you to erect a building on the land (if a land is in question and you want to construct a building on it),
- The building complies with all regulations such as earthquake-proof standards (if you are about to buy a flat or house, you should check all licenses and official permits for the property had been properly obtained),
- The current owner(s) owes no over-due taxes to the Tax Office,
- The current owner(s) owes no over-due debts to the utility companies,
- The agent you are using, if any, works for a registered company,
- The solicitor you are using, if any, is an authorised solicitor,
- A binding contract with a tenant using the property is in question.

Moreover, in order to save time and not to be in a hurry later, you should;

- Register with a local tax office and then open a bank account,
- Make necessary contacts with the relevant professionals such as a good solicitor, a Sworn-Translator, an independent accountant or an agent.

### **Preparing a draft contract**

Although these contracts are not compulsory according to current regulations and mutual declaration of both the buyer and seller to the TAPU (Title Deeds) Registry Office is enough to carry out the transfer of ownership, having a robust sales & acquisition contract will allow you to protect yourself from some potential risks which may stem from the seller or agents.

If you are using a real estate agent and/or solicitor, please ensure the contract refers to her/him and she/he also signs the contract.

Please make sure that a contract should, at least, include the following:

- A detailed description of the property (address, TAPU details, technical conditions etc),
- The actual price to be paid to the seller for the property (Please note that when the contract includes any “price” clause, then each of both you and the seller are to pay a Stamp Duty of 0.75% of the value stated in it. However, mentioning the actual price will allow you to secure your all rights in case of a future legal dispute),
- The details on the bank account of the seller (It should be a single account into which all payments to the seller should be made),
- The details of the bank account of the professional you use, if any (you should use a single account for all payments to be made to this professional),
- The payment terms and conditions (payments to the seller including deposit, interim and final payments, and payments to an agent/solicitor, if any, ought to be separately identified),
- A Statement emphasising that the seller and the buyer will pay their own tax liabilities (some sellers may force you to pay all taxes including theirs with regards to the sale of the property),
- The fees and commissions to be paid to the solicitor or agent (this will secure you in a way that you will not be involved in a tax evasion which may be caused by those professionals. Furthermore, this will prevent those professionals from making unfair money)
- Under what conditions and how the money paid by the buyer will be refunded by the seller,
- Force majeure conditions (For example, what if a legal obstacle occurs in the future),
- How current tenants, if any, will be treated,
- How over-due debts, if any, of the current owner, which are property-related, will be treated,

- How existing furniture, if any, will be handled
- Whether parties can give up the sale/purchase, if so, under what conditions this can happen,
- How to keep the parties regularly informed about the on-going transactions at the local TAPU office,
- How a power of attorney, if any, will be cancelled or amended, how other parties will be kept informed about this,
- Detailed permanent contact information of the signature holders,
- What if one of the parties breaches the promises written down, who will decide under what conditions that a breach was realised,
- How future disputes will be sorted out,
- The rights and responsibilities of the persons whose signatures appear on the contract,
- ID numbers of Turkish nationals (TC Kimlik No) who are to sign the contract, the Barr registry number of the solicitor being used and the trade registry number of the real estate company.

### **Having the draft contract translated**

Before signing the contract, you ought to have it translated into English. In other words, you are advised to have both English and Turkish versions of the contract. You are strongly advised to use a Sworn-Translator if you do not use an English-speaking solicitor. Sworn-translators' fees are quite appropriate.

Please note that relying on only an oral-translation may lead to unwanted situations in the future.

Instead of preparing two separate contracts in Turkish and English, having a bi-lingual contract may be of great use.

### **Having the contracts notarised**

You are strongly advised to sign both the English and Turkish versions of the contract (or a bi-lingual contract) in the presence of a notary public and then have them notarised. This will ensure that

- the people signed the contract and their signatures are genuine,
- the contract is in line with Turkish laws and officially acceptable anywhere in Turkey,
- the terms within the contract are binding for all parties.

### **Payment terms of the contract**

To take off the asset from the market, you may pay a deposit which is negotiable between the seller and you. In some situations, interim payments may be required.

### **Application to the TAPU Office**

As a next step, both buyer and owner (or their legally authorised agents) apply to the TAPU Office for transferring the ownership.

## Documents asked by the TAPU Office

### Individuals

During the application, the buyers (individuals) are to provide the local TAPU Office with the following documents:

- i. Title Deed or a document indicating the property's exact location (plot or parcel number etc.)
- ii. Passport and/or ID Card of the buyer,
- iii. Two recent passport photos of the buyer, sized 4cm x 6cm
- iv. If any agent is being used;
  - Passport and/or ID Card of the agent
  - Two recent passport photos of the agent and
  - An acceptable Power of Attorney.

### FDI companies (companies established in Turkey)

Companies established in Turkey in line with the Foreign Direct Investment Law have to issue an authorisation document to be prepared by the Commercial Registry Office on behalf of them. This document basically covers the

- name/title of the company,
- the names of the authorized representatives, and
- whether the type/legal features of business allow the property purchase.

### Companies established abroad

Commercial companies established in countries with which reciprocity exists have to submit an officially ratified authorisation document similar to the document described in the above sub-section. If any power of attorney is to take place, then two recent passport photos of the agent and an acceptable Power of Attorney are required.

### Forbidden zones and size limitation

Foreign nationals and foreign commercial companies are not allowed to buy property in the military, strategic and security zones of Turkey.

In addition, the Council of Ministers is authorised to determine specific zones to be preserved such as lands which are strategically very important in terms of energy, agriculture, mining, history, cultural values, biological flora, and

national security. Thus, foreign nationals and foreign commercial companies will not be able to buy property in those specially preserved zones.

In other words, TAPU offices are supposed to check whether a property that is being purchased by a foreign national is within one of those forbidden zones or not.

Upon your application, the local TAPU office will do a search on behalf of you whether the asset is in a forbidden zone or not. If the information provided by military authorities confirms that the real estate is outside the military and security zones, then your application is automatically accepted.

Please also note that military clearance may take a considerable time and it may be worth checking at what stage the procedure is. Thus, you are advised to gather the contact information of the TAPU office you are using so that you can call the authorities later.

In case the total area of all lands you will own in Turkey cannot exceed 2.5-hectares (25,000 m<sup>2</sup>) then the Council of Ministers' approval is needed. (Please note that the Law allows the Council of Ministers to increase this threshold to 30 hectares).

The maximum size of all lands owned by foreign real persons in a province shall be capped by the Council of Ministers and this cap cannot be more than 0.5% of the total area of the whole province.

## **How are FDI and foreign companies treated by TAPU Offices?**

### **FDI Companies**

Companies may freely acquire real estate or limited rights in rem through a legal entity established or participated in Turkey by foreign investors provided that such acquisitions are permitted for Turkish citizens.

### **Foreign Companies**

Foreign real persons and trading companies having legal personality established in foreign countries according to the laws of these countries can acquire real estate in Turkey on the conditions of being reciprocal and complying with legal restrictions. In implementation of reciprocity principle, it is essential that real estate acquisition rights given by a foreign country to its own citizens and to trading companies established in foreign countries according to the laws of these countries, are also given to the citizens and trading companies of the Republic of Turkey.

The real property purchase application of such company to local Land Registry Offices is forwarded to General Directorate of TAPU (The Land Registry and Cadastre Office) for reciprocity control. General Directorate

double checks the application from the Ministry of Foreign Affairs as the existence of reciprocity between our country and a foreign country in terms of trading companies, is determined by Ministry of Foreign Affairs.

After the reciprocity confirmation of aforementioned Ministry and response of the military post stating the subject real estate is out of military forbidden zones and security zones the company then becomes eligible for buying the property.

Trading companies having legal personality established in foreign countries according to the laws of these countries have to submit an officially stamped authorization document during the registration.

Foreign commercial companies which are legal entities can buy property provided that they operate pursuant to the special laws such as the Tourism Encouragement Law, the Oil/Petroleum Law, the Industrial Zones Law, etc. In addition, foreign legal entities other than the above mentioned commercial companies, such as foreign charities, foreign foundations and foreign societies, etc. cannot buy property in Turkey.

### **Issuance of a new TAPU by the Office**

Finally, after military clearance has been finished, you are given an official ownership document called the Title Deeds (TAPU

Without having a TAPU, you are never considered to legally own the property even if you signed a legally acceptable purchase contract with seller.

You are advised to make the payments net of the deposit (plus interim payments, if any) to the seller at his stage.

### **Declaration of acquisition to the local government**

You are supposed to apply to the Municipality for declaring the acquisition of the property by the end of the year of acquisition. You simply fill out a form and submit it to the municipality. Afterwards, the municipality officers will tell you when/how much 'real estate tax' (a tax similar to the Council Tax in the UK) you are going to pay.

## **EVERYTHING ABOUT A TAPU (TITLE DEEDS)**

### **What is a TAPU? What does it look like?**

A TAPU is an official document which shows you have ownership rights over the real estate. The owner's full name and photograph, and detailed information on the asset appear on this document.



### Meaning of the terms on a TAPU

The meanings of the terms appearing on a TAPU are as follows:

<u>Term</u>	<u>Meaning</u>
<b>Ana Gayrimenkulun:</b>	<b>~Description, location and cadastral coordinates of the main land</b>
İli:	Province
İlçesi:	Borough, district or town
Mahallesi:	Parish, quarter
Köyü:	Village
Sokagi:	Street, avenue
Mevkii:	Place
Pafta No:	Pafta Number
Ada No:	Plot Number
Parsel No:	Parcel Number
Niteliği:	Feature (whether it is a building land, vacant land, or cultivated land...)
Yüzölçümü:	Area/size of the land (summation of the figures shown for the three parameters below should add up to the total size of the main land)
Ha:	Hectare (=10.000m <sup>2</sup> =2,47 acres)
m <sup>2</sup> :	Meter square
dm <sup>2</sup> :	Decimeter square

KAT MÜLKİYETİ:	Ownership of the independent unit which is ready to use (flat, house, office etc built on the main land)
KAT İRTİFAKI:	Ownership of the independent unit which is not ready for use yet (either because of an on-going development/construction work or due to the fact that usage permit from the municipality has not been gathered yet)
DEVRE MÜLK:	Fractional/timed ownership (the independent unit is owned just for a certain period of a year)

<b>Bagimsiz Bölüm:</b>	<b>~Information about the Independent Unit (the property subject to the use such as a flat, house, etc) on the main land</b>
Satis Bedeli:	Actual purchase price of the property (Make sure that actual amount is written in this section. Otherwise, you may encounter very serious legal problems including being accused of money-laundering and/or be subject to severe financial penalties due to a tax evasion. Please do not forget to collect the documents to justify that you exactly paid this amount to the seller)
Arsa Payı:	Land share (what proportion of the land belongs to the independent unit)
Blok No:	Block (Building, Mansion, Lodge, Court, House) Number
Kat No:	Floor No.
Bagimsiz Blm No:	Independent Unit Number
Edinme Sebebi:	The reason why the property is being acquired (From whom to whom the property has been sold and any other relevant explanation)
Sahibi:	Name(s) of the current owner(s)
	(More than one person can own the same property. In this case, their respective shares are to be shown in this section. The respective shares are illustrated in terms of the proportion of the main land.  For example, suppose that a flat which possess the ownership of 10/456 of the main land on which the complex is based and that the flat is to be owned by three person

	<p>named AB, CD, and EF with shares of 20%, 30%, and 50%, respectively. Then, these names and their respective shares are shown on TAPU as follows:</p> <p>AB: ab: 2/456 hisse,</p> <p>CD: cd: 3/456 hisse,</p> <p>EF: ef: 5/456 hisse,</p> <p>where the word 'hisse' means 'share' and 'ab', 'cd', and 'ef' are the names of fathers of those persons)</p>
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The remaining sections at the bottom of the TAPU are for official use only.

The TAPU has to be sealed with a stamp in the central part at the bottom and this section has to be signed by a TAPU officer.

The picture(s) of all owner(s) is (are) to be suffixed to the top-right of the TAPU, it (they) has (have) to be sealed with a stamp and signed by the TAPU officer mentioned above

### **How to check the details?**

Whether a property does belong to a person can be checked through the pictures and names appearing on the TAPU. If the TAPU is a Xerox copy, then make sure it has been ratified by a notary public. Otherwise, a fake TAPU might have been handed over to you. With regards to the names, you can ask for the ID card of the seller(s) and compare the TAPU to the ID card in terms of names.

Whether cadastral/map coordinates on a TAPU are genuine can be double checked by means of a private cadastral or a civil engineering bureau.

Furthermore, one can ask the TAPU office to put an annotation (Serh) on the TAPU so as to specifically prohibit an unwanted transaction regarding the ownership. Unless the conditions described in the annotation are not met, the property can neither be sold out nor transferred into the names of third parties.

### **Overdue Real Estate Tax Debts**

It is very important to check whether the current owner of the property owes any overdue Real Estate Tax debt to the tax authorities. According to the

current regulations, new owner is also responsible for overdue real estate tax debts. Thus, you are advised to put a special clause in the Sale Contract so as not to be in an unwanted situation in the future. Furthermore, you are recommended to ask the seller to provide you with the copies of the tax receipts given by the tax collection units.

### **Overdue debts for utility services**

In order to get rid of any unwanted situation regarding the overdue debts for utility services, you are recommended to put special clauses in the sale agreement by stating that the seller will be responsible for all overdue debts incurred by the date of sale.

### **Current Tenants**

If there is a tenant staying in the property you like to buy, you are advised to check the tenancy contract. In some cases, you'd better see the tenant. Furthermore, please check whether the tenant has given the seller an evacuation notice or not. If he has given a notice, then you ought to check whether the dates stated in the Sale Contract and the Evacuation Notice fit properly.

### **Double Checking the Registry Records**

When you are offered a property, please compare the information relating to the property which sellers declared to you to the local title deeds registry office records. In other words, please double check the title-deeds belonging to the seller to see

- Whether the actual address of the property and the address shown on the Title-Deeds are the same,
- Whether there is more than one owner (if so, make sure that all shareholders comply with the sale),
- Whether there are special clauses on the title-deeds which prevent the transfer of ownership owing to a long-term debt owed to a bank.

### **Appropriateness of the building**

According to current legislation, all buildings have to be in line with the construction and earthquake-proof regulations and official plans. In this regard, you should double check whether the building has been built in line with those arrangements. In other words, you should ask the seller to provide you with the "Use of Building Permit" or "Habitation Certificate" ("Yapı Kullanma İznî" or "Oturma İznî/Ruhsatı" in Turkish.) issued by the local authorities.

### **Buildings under construction**

If you are to buy a building under construction, make sure that the contractor is financially viable and legally authorised. Furthermore, you are recommended to put some special clauses in the contract with the contractor such as a date of completion, list of materials to be used, indemnities etc.

### **Construction of a building on a land**

All issues relating to construction of buildings/building rights are arranged by Construction Law No. 3194.

According to the law, you can have a building constructed on your own land provided that

- It is in line with the official Construction Plans and current regulations.
- You obtain a “construction authorisation” certificate (planning permission) from the local governments.

With regards to the authorisation for building rights, if your land is within municipal borders, the relevant municipality authorises the construction. If your land is outside the municipal borders, then the relevant provincial governor’s office (“Valilik” in Turkish) authorises you.

Please bear in mind that you cannot construct any building on lands which are allocated as common places such as roads, green fields, and parks in the official Construction Plans.

If you plan to buy a land and to build a property on it, you are advised to search for the relevant official Construction Plans approved by the local governments and regulations, and to contact the relevant local governments.

Hiring a good solicitor would be beneficial at this step.

### **Residency Permits for Newly Constructed Buildings**

**A residency (habitation) permit** (“Yapi Kullanma Izni” or “Oturma Izni” in Turkish) is a document that shows the construction of the building has been completed in line with the authorisation (planning permission) given by the local council (Belediye). This document also includes the information regarding construction authorisation, completion date of the construction works, the land registry office records on the property, address & size of the property, specifications of the independent parts in the property, and the owners. Residency permit is provided by the **Construction Licenses Directorate** (Yapi Izinleri Müdürlüğü) and **Construction Supervision License Directorate** (Yapi Denetim Izni Birimi) within a local council.

Without this document you can neither live in the property in question nor subscribe to the utility companies.

## Required Documents

- Petition
- Copy of the title deeds
- A document to be gathered from local tax offices to evidence that the owner does not owe anything to the tax office.
- External Sewage Document (Water Utility Directorate of the Municipality provides with it)
- Turk Telekom's suitability approval for future telecom connections
- Scientific Responsibility Report ("Fenni Mesul Raporu" in Turkish)
- Frontal photographs of size 13x18 cm
- If there is an elevator/lift in the property, guarantee & technical standards documents, engineers' documents, supervision report, supervision receipts, application projects approved by the relevant chamber are also needed.
- Air-raid shelter report for the building where a shelter is designated
- Fire brigade reports for the buildings where fire exits are compulsory

## Who can apply for it?

You or your agent (Power of Attorney holder) can apply to the aforementioned department in the municipality. As well as the documents listed above, please make sure the visas regarding the application, the base (zemin), the parts above the base ("su basman" in Turkish), heat insulation and general construction (kaba infaat).

## What is the cost of residency permit?

An examination fee and the corresponding levy, which are very low compared to the European examples, are charged on the basis of the area (number of meter squares) of the property. The unit prices for these fees are updated periodically. Please contact the municipality in question for the updated figures.

## Housing Co-operatives

Housing Cooperatives are legal entities established in line with Law No. 1163 and aim at providing their partners (or participants) with residential flats or houses.

These entities are one of the most favorable methods of acquiring a property among Turkish citizens, who are generally at the middle income levels.

Tax advantages and relatively cheaper loans provided by State organizations, great potential for economies of scale, and convenient financing requirements evenly distributed to a time scale extending to a couple of years are some of the appealing features of these entities.

However, right management of a cooperative is of high importance. The Board should assure a sound financial status and employing the right contracting company which will construct the complex is very crucial. Unless a good Board which is composed of trustworthy and talented people is in office, the designated targets may not be attained.

In this regard, if you are planning to purchase a flat, house or villa on a complex, as a part of a cooperative, you are strictly advised to search for all important and relevant aspects. You can hire a professional to do this on behalf of you. In case you need professional help, please be sure that you assign the professional in question through a sound Power of Attorney.

The following information briefly explains how cooperative mechanism works.

A cooperative has to have at least 7 partners (or participants or members). The Articles of Association (AA) has to be stamped by a notary public and to be registered to the Trade Registry. The followings are to be clearly stated in an AA:

- The name and address of the cooperative,
- Purpose and activities of the cooperative,
- The conditions which cause participants to lose their partnership,
- Shares of participants,
- The degree of the rights and liabilities of participants,
- How the cooperative can be represented,
- Methods for how revenues and expenditures accrue,
- Names and addresses of the founders,
- How contributions will be made by the participants,
- Other issues, where applicable.

Cooperatives have to arrange 'partnership notes' in the name of each partners and these documents have to be signed by participants and the representatives of the cooperatives. These notes are delivered to the partners and indicate that the note holder has a legal partnership in the cooperative.

Main decisions regarding a cooperative's activities are made by the General Assembly, composed of partners. Usual General Assembly meeting has to be held within a period up to 3 years following the previous meeting. Participants are officially invited to General Assembly meetings by the people authorised to represent the cooperative. These representatives are selected by the General Assembly.

Bringing the partnership to an end is allowed by the Law. In some cases, there might be some special time restriction clauses in the AA. AA may envisage that partnership cannot be brought to an end within a period up to 5 years following the date of partnership. If any force majeure conditions are specified in the AA and a participant falls in a force majeure, then he is exempt from such time restriction.

Partnership rights can be transferred to others or sold out.

According to the regulations, any partner is allowed to ask the Board of a Cooperative to provide him/her with the information about the financial status of the cooperative.

A cooperative dissolves if

- All works envisaged by the AA have been materialized and the properties have been registered in the names of the participants.
- The General Assembly decides upon that the cooperative will no longer continue.
- Bankruptcy is declared.
- Relevant Courts have made a decision to dissolve the cooperative.
- Another cooperative takes over or purchases it.
- Usual General Assembly meeting has not been held for at least 3 years.
- The relevant ministry finds out that the cooperative can no longer attain the designated targets.