

# Squeeze out Right in Turkey

## In Private Companies

In Turkey, where shareholders directly or indirectly own and hold at least 90 % of capital shares and voting rights in a capital company, the controlling shareholders may apply to the court for the squeeze out of the minority shareholder(s), if the minority shareholder(s) prevents the company from running its business, do not act in good faith, create perceptible disruption or act in a reckless manner.

Since the squeeze out right can solely be implemented by a court decision, %90 percentage must be preserved until the date of the court decision. The share value to be paid to the minority shareholder(s) will be determined by the court. The controlling shareholders may purchase the shares of the minority shareholders at stock-exchange value. If such a value does not exist the share value may be determined through the net value (the balance sheet value), or through a value to be determined based on a commonly accepted method.

## In Public Companies

Controlling shareholders holding 95 % of the total voting rights of a publicly held company posses the right to squeeze out the minority shareholders.

Controlling shareholders shall exercise squeeze-out right within a period of three months upon having the % 95 ownership of voting rights. Where the three months period is over, the controlling shareholders' right to squeeze out terminates and an additional share purchase is needed to renew the squeeze-out right.

For listed entities, the squeeze-out price is determined based on the arithmetical average of the 30 days weighted average of the stock price. For unlisted entities, a valuation report shall be prepared to determine the fair value of the squeeze-out price.

Upon the approval of the Capital Market Board and the payment of squeeze out price, BIST will resolve the delisting of the listed entity. For publicly held companies that are not listed on the BIST, the shares shall be submitted to the corporation by the shareholders, and duly cancelled.

The squeeze out right can be exercised by minority shareholders against controlling shareholders as well.

Ayhan Baltaci  
Partner

[abaltaci@bereket-baltaci.com](mailto:abaltaci@bereket-baltaci.com)

Yasemin Işık  
Partner

[y.isik@bereket-baltaci.com](mailto:y.isik@bereket-baltaci.com)

Ahmet Işıkli

[ahmet\\_isikli@bereket-baltaci.com](mailto:ahmet_isikli@bereket-baltaci.com)

This Article contains general information only, and none of BEREKET & BALTACI Law Firm and or its members is, by means of this publication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity shall be responsible for any loss whatsoever sustained by any person who relies on this article.

BEREKET & BALTACI Law Firm  
Veko Giz Plaza, Floor 13,  
25/40 Meydan Sok., Maslak  
34396 Istanbul / Turkey  
Tel: +90 212 355 61 92  
Fax: +90 212 355 61 00