# [TR] Changes Planned in Foreign Participation in Turkish Radio and Television Corporations

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*Gül Okutan Nilsson*
*Intellectual Property Research Center, Istanbul Bilgi University*

Turkish private radio and television organisations are regulated by the Law on the Establishment of Radio and Television Enterprises and Their Broadcasts (Law No. 3984 of 20 April 1994). According to this Law, radio and television broadcast permits and licences shall only be granted to corporations which are established in Turkey according to the Turkish Commercial Code, for the purpose of radio and television broadcasting, communication, education and culture. Such a corporation’s shares must be registered and no preferred shares may be issued. A single corporation may establish only one radio and television enterprise.

Foreign investors may acquire shares in Turkish radio and television corporations, provided that the share of foreign capital in one private radio or television corporation does not exceed 25 % of the paid in capital. A real or legal person of foreign nationality holding shares in a certain radio or television corporation may not become a shareholder in another private radio or television corporation.

The restrictions regarding foreign investments in Turkish radio and television corporations have been criticised in recent years. Recently, a plan to relax these restrictions has been announced in Turkey’s Draft National Program expected to be issued in 2008. The National Program is a document which spells out Turkey’s plans on how national law shall be harmonised with EC law.

According to a draft law which has not yet been sent to the Parliament, the cap of 25 % on foreign investments will be increased to 50 %. As a result, foreign participation in a Turkish radio and television corporation shall be possible up to 50 % of the paid in capital. Furthermore, foreign shareholders shall be allowed to participate in a maximum of two private radio and television corporations. However, the share of the same foreign person may not exceed 25 % of the paid in capital in the second private radio and television corporation. Foreign persons will not be allowed to participate in radio and television enterprises conducting local or regional broadcasting.

The situation of indirect ownership of shares has been a contentious issue under the current law. The draft law provides no clear restrictions on the percentage of foreign investment which may be acquired in companies holding shares of Turkish radio and television corporations. However, in case of foreign indirect ownership, it shall be required that the president, vice president and the majority of members of the board of directors and the general manager of the Turkish broadcasting corporation will be Turkish citizens and that the majority of votes to be used at the shareholders meeting will be held by Turkish national or legal persons.

The draft law also provides that restrictions on foreign investment shall not be applicable to EU citizens and companies established in the EU upon Turkey’s full membership.

Once the draft law is sent to the Parliament, it shall be discussed by the Parliament’s Justice Commission and, therefore, further changes may be expected before it is finalised.