

Client Alert

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Execution of Lease Agreements via E-Government Platform

The Ministry of Treasury and Finance has developed a new digital service under the Action Plan to Combat the Informal Economy, allowing lease agreements to be executed through the e-Government platform. The first phase of the service which was launched on 4 November 2024, enables owners and co-owners of a property to draft lease agreements in the "Lease Agreement Transactions" section of e-Government, while tenants or guarantors can approve the agreement through the same platform. The key conditions for benefiting from this service are as follows:

- Only the users over the age of 18 with an e-Government account can benefit from this service.
- The service is available only for lease agreements to be executed between individuals.
- Foreign nationals who can obtain an e-Government password from the Turkish Post Office with their temporary identities or work permits can also benefit from this service.
- This service can be used by owners and co-owners of a property, tenants, and guarantors.
- The service is not available for properties with more than 10 co-owners.
- Pursuant to the relevant provisions of the Turkish Civil Code, if the property to be leased is held under joint ownership, all co-owners must approve the agreement; if it is held under common ownership, the approval of the co-owners holding the majority of the property's shares and the majority of co-owners is required.

This service enables lease agreements to be executed quickly and easily, independent of location and without incurring time or document costs. The lease agreements executed through this service as barcoded documents will provide the parties with ease of proof and transaction security, reducing the need for additional verification measures, such as notarization, to strengthen evidentiary power.

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As relevant authorities will be able to directly access lease agreements executed through this platform, transactional bureaucracy will be reduced. Additionally, lease agreements prepared through this service will provide data to develop the Turkish Real Estate Valuation Map.

On another note, the rent specified in lease agreements executed through e-Government will have a direct consequence in terms of tax law. In this regard, it is essential for tax declarations related to rent income to be accurate and complete.

The second phase of the service is planned to be launched by the end of the year. In this phase, real estate agents and authorized individuals are expected to be included in the process, being able to prepare lease agreements and submit them for the parties' approval.

Please contact us if you need further information on this matter.