

Who is eligible for the lapsed dividend?

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The Constitutional Court (AYM) through its decision dated 10/04/2019 and no.2018/136, K. 2019/21, annulled articles 1, 2, 3 and 4 of the Law no. 2308 finding the objection to the transfer of dividends that are decided to be paid to the shareholders of the company but not paid as unconstitutional.

Revocation of the Constitutional Court has been grounded on excessive limitation of the ownership rights of companies by the principle of the transfer of dividends in nature of lapsed corporate debt to the Treasury.

Following the Constitutional Court decision, the partnership has the right to freely save on the values that are standing for the provision of lapsed dividends. These values on which the companies may freely act will be subject to transfer tax.

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