TCC 376 · CAPITAL INCREASE

Could your capital increase fail the equity test?

After a capital increase, equity must cover at least half of the new capital plus legal reserves. A temporary rule can reverse the picture.

KEY POINTS

9 key points

SWIPE TO CONTINUE →

02 · THE RISK

Registration depends on the equity test

For a capital increase to be registered, the equity test in **TCC Article 376** must be met after the increase: equity must cover at least half of new capital plus legal reserves.

⚖ Equity ≥ ½

At least half of (new capital + legal reserves) must be covered by equity

The test applies regardless of the reason for the increase, including compliance with the minimum capital, and affects every company whose equity has been weakened by prior losses.

— 03 · AN OVERLOOKED EFFECT

The increase also raises the threshold

In increases made by board resolution or because of a legal requirement, the TCC 376 test can force a very large increase. Without real improvement in results, **the threshold grows with the capital**.

⚠ Rising threshold

The same loss picture may require an even larger increase in the next period

A capital increase alone does not solve an equity problem; without real profitability it moves the problem to a higher level.

04 · LEGAL BASIS

A temporary calculation relief under the Communiqué

Under the Communiqué issued under TCC Article 376, **unrealised foreign exchange losses** on foreign currency liabilities and **half of 2020–2021 rent, depreciation and personnel costs** may be disregarded in the equity calculation.

Communiqué published in Official Gazette No. 30536 of 15.09.2018; amending Communiqué in Official Gazette No. 33103 of 10.12.2025 extended the relief to 1 January 2027. The relief does not change the company's real financial position.

05 · WORKED EXAMPLE

Equity per the balance sheet: technical insolvency

ITEM	AMOUNT (TRY)
Share capital	**50,000**
Legal reserves	**10,000**
Prior-year losses	**(270,000)**
Equity per balance sheet	**(210,000)**

TRY 530,000

To meet TCC 376 on these figures, capital would have to rise to at least TRY 530,000, more than twice the minimum

06 · CALCULATION

Applying the Communiqué

ITEM	AMOUNT (TRY)
USD 10,000 loan taken in 2019 (rate 5.70)	**57,000**
Value at balance sheet date (rate 42.50)	**425,000**
Unrealised FX loss disregarded	**368,000**
Half of 2020–2021 rent, depreciation and personnel costs (80,000)	**40,000**
Total disregarded	**408,000**

Figures are illustrative. The equity report required for registration covers this calculation and is subject to SMMM or YMM approval.

07 · TCC 376 CALCULATION

With this adjustment, the picture reverses

ITEM	AMOUNT (TRY)
Equity per balance sheet	**(210,000)**
Disregarded under the Communiqué	**+408,000**
Equity for TCC 376	**198,000**

After increasing capital to TRY 250,000, the registration threshold is (250,000 + 10,000) / 2 = TRY 130,000. Adjusted equity of TRY 198,000 meets it.

— 08 · CAUTION

A temporary window, not a solution

The adjustment does not take the company out of technical insolvency in real terms. It only brings the TCC 376 result to the level needed to register the minimum capital increase.

1 January 2027

Current end of the relief; without an extension, the company may again appear technically insolvent

The board’s duties under TCC 376 continue even when the relief is applied. Update: the relief was extended to 1 January 2028 on 10 October 2026.

09 · FOR THE BOARD

Points not to overlook

01 Minimum capital increases are not exempt from the TCC 376 equity test.

02 The registration file requires an SMMM or YMM report on prior capital payment and equity.

03 Items disregarded under the Communiqué must be supported by documents and calculations.

04 The possibility that the relief is not extended should be built into planning.

05 The board’s monitoring and notification duties under TCC 376 continue.

IN SUMMARY

Every increase, same test

The TCC 376 equity test applies to every capital increase.

The picture can reverse

The Communiqué adjustment can turn negative equity positive for TCC 376.

But not permanent

The relief is temporary and does not change the real financial position.

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