

**Covid 19 Measures taken by the Turkish Government  
affecting the Commercial Practices  
(in chronological order)**

**12/03/2020**

**Additional time request for custom formalities at the borders**

- With the official letter of the General Customs Office on the second additional duration request for the durations covered by Article 46 of the Customs Law due to Corona Virus dated 12/03/2020 and numbered 5316406; in order to complete the transactions of the goods submitted to customs in Article 46 of the Customs Law within the scope of measures at the land border gates opening to **Iraq and Iran** the demands of additional duration should be evaluated as a force majeure within the framework of article 31/3 of the Customs Regulation and must be concluded by the Customs Directorate.

**13/03/2020**

**Trade Fairs**

- Ministry of Commerce announced that all national and international fairs which were planned to be organized in Turkey are postponed to a period after 01/05/2020.

**14/03/2020**

**Land Transportation to Iran and Bulgaria**

- Rail and road transportation to Iran and railway service to Sofia was stopped.

**16/03/2020**

**Several measures at the borders and transport via sea**

- The Minister of Commerce announced that the borders of Iran and Iraq are temporarily closed, necessary health measures were taken at customs gates, Sarp custom gate is working 24 hours, the trade with Iraq is continuing by leaving the Trucks in the buffer area for a contactless driver change, vehicles which go to Italy and France by Ro-Ro are transferred by towing trucks without having human contact and that new route ways are planned.
- The General Directorate of Maritime of the Ministry of Transport informed in its circular numbered 2020/2 on "Corona Virus (Covid-19) measures" that measures were taken such as notification of the related persons who are dealing with ships and sea vehicles which are making international voyages must be made 48 hours in

advance and the ports where the ships stopped in the last 14 days must be determined.

### **17/03/2020**

#### **Regulations on liquidities and rediscount credits to the banks**

- The Central Bank of the Republic of Turkey by Decision No. 2020-15 and 2020-16 made arrangements for liquidity facilities and rediscount loans granted to banks.

### **18/03/2020**

#### **Economic stability shield package**

The President declared the “Economic Stability Shield Package” where 100 billion Turkish Lira resources are allocated for this package.

Some of the important items in the package are;

- Payments of withholding tax, VAT cut and social security insurance premiums for April, May and June are postponed for six months for retail shopping centres, steel and iron, automotive, logistic-transportation, cinema- theatre, accommodation, food and beverage, textile and event-organization sectors,
- Stock financing support provided to the exporters in order to maintain capacity utilization rates during the temporary slowdown in exports,
- For companies which defaulted in April, May and June a “force majeure” note shall be put on their credit registry,
- Delivery periods of the summary declarations containing payment of the deductions made at the source, such as withholding are postponed for 3 months,
- Duration of the compensated working time is increased from 2 months to 4 months in order to make flexible and remote working models more effective, Short Term Work Allowance is put into service to ensure the continuity of employment.

Laws and regulations regarding the announced economic package have already been published and still being published.

**19/03/2020**

**Remote applications to Haydarpaşa Port**

- Haydarpaşa Port Operation Directorate Personnel and Administrative Affairs Directorate announced that the Directorate will not receive any documents per hand but documents and applications can be made by mail or fax.

**20/03/2020**

**Cancellation of the announced General Assembly meetings**

- The Ministry of Commerce announced that announced general assembly meetings of the companies could be cancelled with a decision of the board of directors and that meeting could be hold by electronically.

**Support payments for several agricultural products kept in the licensed warehouses**

- With the Communiqué (Communiqué No: 2020/5) on Making Supporting Payment for Agricultural Products Preserved in Warehouses Operating Under License; a support payment will be made by the Ministry of Agriculture and Forestry for additional rent, transportation, analysis fee for wheat, barley, rye, oats, corn, paddy, rice, lentils, chickpeas, beans, peas, sunflowers, cotton, **nuts**, olives, olive oil, dried apricots, pistachios, raisins and dried figs stored in licensed warehouses.

**Taxation of digital service providers**

- Within the scope of the Digital Service Tax Law, the Digital Service Tax Application General Communiqué has been published in the Official Gazette which contains explanations about the taxation of the earnings of those who are considered under this law as taxpayers and digital service providers.

**Ratification of Host Country Treaty**

- Host Country Treaty between the Government of the Republic of Turkey and the International Fund for Agricultural Development (IFAD) for IFAD Country Office-Eastern Europe and Central Asia Central Committee signed in Ankara on November 2018" is ratified.

**Postponement of meetings and activities**

- With the Circular No. 2020/3 of the Presidency; it has been decided to postpone scientific, cultural, arts and similar meetings or activities to be held in all open and closed areas until the end of April.

**21/03/2020**

**Curfew order for citizens over 65 years old and who have certain illness**

- R.T. Ministry of Internal Affairs published a Circular to impose curfew on citizens over 65 years of age and those with low immune systems, chronic lung disease, asthma, COPD, cardiovascular disease, kidney, hypertension and liver disease and citizens using drugs that impair the immune system.

**22/03/2020**

**Flexible working methods for public employees**

- In accordance with the Circular No. 2020/4 on “Additional Measures for Public Employees within the Scope of Covid-19” published in the Official Gazette flexible working methods such as teleworking, rotating work can be applied to employees in public institutions and organizations.

**Suspension of execution and bankruptcy procedures**

- With the Resolution of the Presidency No. 2279 it has been decided to stop execution and bankruptcy proceedings carried out throughout the country, not to carry out enforcement proceedings, to receive requests, to delay the execution of prudential decisions, to stop the mediation meetings and hearings.

**New working hours for the banks**

- Banks Association of Turkey (TBB) recommended to the banks to set their working hours between 12.00 and 17.00. Accordingly some banks have changed their working hours.

**23/03/2020**

**Extention of some tax declaration and payment deadlines**

- With the Tax Procedure Law Circular No. 126 of the Revenue Administration; it has been decided to extend the deadline for issuing VAT declaration and payment of VAT until the end of 24/04/2020, the period of submission of the BA/BS Form notifications of February 2020, the creation and signing of the electronic books and the loading period of the electronic book reports until the end of 30/04/2020.

### **Administrative fines for anticompetitive acts**

- The Competition Authority warned that it would impose the heaviest administrative fines to any anti-competitive actors (producers, intermediaries, carriers, end sellers, etc.) in the food market.

**24/03/2020**

### **Tax payers who will utilize force majeure measures**

- With the General Communiqué on Tax Procedure Law No. 518, it has been decided that below stated taxpayers are in force majeure situation between 01/04/2020 and 30/06/2020 (including these dates):
  - taxpayers engaged in mainly logistics and transportation, food and beverage services, including retail, storage activities, who are directly affected by the epidemic,
  - taxpayers operating in the sectors where the workplaces whose activities are decided to be suspended temporarily.

For companies that are in force majeure situation their premium service, VAT, summary declaration, BA BS Notifications, e-ledger uploads which must be made until April, May and June are postponed to October, November and December.

Accordingly, it can be learned from the Interactive Tax Office whether or not your company is within the scope of force majeure.

### **Conditions for good agriculture applications have been amended**

- The terms of support for good agricultural practices have been changed with the Communiqué (Communiqué No: 2020/10) on the Amendment of the Communiqué (Communiqué No: 2019/46) on the Payment of Support for Crop Production.

### **Measures for the supermarkets**

- With the additional circular of the Ministry of Internal Affairs it has been decided that supermarkets can be open between 09:00 and 21:00, excluding their warehouses, administrative offices, etc.; the maximum number of customers in the market must be one tenth of the total area directly served to the customer (for example, if the area of the market offered to the customers is 100 square meters, there can be a maximum of 10 customers at the same time)

### **Measures at the ports**

- The Ministry of Transport and Infrastructure has declared that; in the Çeşme Ulusoy Port, 4 customs officers tested positive for the Covid-19 test, and it has been decided

to continue the port activities on condition that all personnel have been replaced, and only cargo transportation is carried out on the Ro-Ro line in Çeşme-Trieste (Italy) and no passengers or drivers are allowed to enter, cargo operations in the port of Trieste in Italy is made with minimum connections, measures taken are extended in vessels Çeşme port of arrival and in this regard all controls at Turkish Border and Coastal are made in coordination with the Directorate General of Health, coronavirus has not been seen on ship crew who work at vessels.

**25/03/2020**

### **Loans to be granted for the agricultural production**

- Communiqué on the Implementation Principles of Investment Loan with low interest and Working Capital Loan for production provided by R.T. Ziraat Bankası and Agricultural Credit Cooperatives' (Communiqué No:2020/4) has been published in the Official Gazette, loan terms and details were regulated.

### **Export to Iraq**

- Ministry of Commerce declared that commercial crossings at Iraq Habur Border Gate are made in a controlled manner, and the export to Iraq is carried out without contact between the Habur-İbrahim Halil Customs Gates, and foreign drivers are not allowed to enter the country.

### **Timeout at customs transactions**

- According to the announcement of the Ministry of Commerce for the goods the permission period of which are expiring within the scope of the temporary import regime, processing regime under customs control, external processing regime or temporary export on 01/02/2020 or after, the end of the permit expiry date is determined as 30/06/2020 without need for any further application. Accordingly no sanctions will be exposed due to failure to comply with the deadlines. Customs are instructed that the extension requests regarding the waiting times of the goods should be evaluated as force majeure. Thus, the goods were prevented from becoming liquidated. It was decided not to apply fines for all transit time limits.

### **Stopping of the deadlines for certain obligations to the customs**

- In the letter of the Ministry of Commerce General Directorate of Customs it was stated that if the duration of the obligations of the companies who are holding certificate of obligations, to notify the customs administration, to present documents, to eliminate the deficiencies reported by the administration, to update the documents occurred as of 19/03/2020, the deadlines will continue from where they left until the second notification, for the cases occurred after 19/03/2020 the deadlines will not start until the measures were removed.

**26/03/2020**

**Omnibus Law containing several issues**

- Law Amending Some Laws numbered 7226 (Omnibus Bill) has been published in the Official Gazette. Below are the law changes that may concern your company:

**Postponement of the electricity and gas payments**

- The President may decide to postpone the payments for electricity and/or natural gas consumption towns for one year in towns where a disaster occur.

**Compensatory work periods**

- The duration of **compensatory work** for the unworked periods in Article 64 of the Labor Law has been set as 4 months, 3 hours each day.

**Short-time work allowance**

- The conditions for short-time work allowance have been determined again. Accordingly, employees who (i) paid an unemployment insurance premium of 450 days in the last three years before the short work start date and (ii) worked under a work contract for the last 60 days before the short work start date, can be utilize from the short-time work allowance arising from COVID-19 To benefit from the COVID-19 short-time work allowance, employers should not dismiss workers in this period. The exception of this rule is the rightful termination of the employment contract due to cases that do not comply with the rules of ethics and goodwill that is regulated in the article 25/1-II of the Labor Law numbered 4857. Additionally some opportunities were brought in terms of completing insurance premiums.

**Regulations regarding loan obligations**

- Regulations have been introduced for real and legal persons whose principal and/or installment payment date is before 24/03/2020, who have disrupted the payments of principal, interest and/or secondary arisen from cash and non-cash loans and for loan customers who have bad checks, protested bills, credit cards and other credit debts.

**Office lease payments and termination of office lease agreements**

- Failure to make lease payments to be accrued from 01/03/2020 until 30/06/2020 will not be the reason for the termination of the contracts and evacuation.

**Stoppage of the time periods in the justice**

- As of 13 March 2020 all periods related to the constitution, use or termination of a right, including filing a lawsuit, initiating enforcement proceedings, complaints, appeals, notices, notifications, submissions and expiration times, and deprivation

periods; all periods determined in terms of the parties in the Administrative Judicial Procedure Law, the Criminal Procedure Law and the Civil Procedures Law and the periods in arbitration and mediation institutions,

- As of 22 March 2020 except for execution proceedings for alimony, the periods specified in the Execution and Bankruptcy Law and the periods determined by the judge or enforcement and bankruptcy offices in this context; all execution and bankruptcy proceedings, party and proceeding transactions, receipt of new execution and bankruptcy enforcement execution and completion of precautionary lien decisions

are stopped until **30 April 2020**.

The durations which are stopped with the law will start on the day after the stopping day ends (1 May 2020). The periods that are fifteen days or less as of the stopping period started (either 13 March 2020 or 22 March 2020), will be considered as extended fifteen days starting from the day when the stopping period has ended.

Periods listed below are excluded:

- Time bar periods set out in the laws for crimes and punishments, misdemeanor and administrative sanctions and disciplinary arrests and pressure arrests;
- Periods regarding protection measures regulated in the Criminal Procedure Law.
- Periods regarding the procedures to complete the **precautionary measures** stated under the Civil Procedures Code.

Payments which are made during the stopping period can be accepted and one of the parties may claim an action in favor of the other party.

However, such clear measures were not taken for arbitral proceedings, which are alternative to court proceedings and can be final and binding like a court decision.

**28/03/2020**

### **Credit card interest rates**

- With the Communiqué No 2020/10 on the Amendment to the Communiqué on the Maximum Interest Rates to be Applied in Credit Card Transactions (Number: 2016/8), the monthly maximum contractual interest rate to be applied in credit card transactions in Turkish lira changed to 1.25 percent and the monthly maximum contractual interest rate to be applied in credit card transactions in foreign currency changed to 1.00 percent. With the changing of the 5th article of the same Communiqué the maximum monthly delay interest rate to be applied in credit card transactions in Turkish lira has been changed to 1.55 percent; the maximum monthly delay interest rate to be applied in credit card transactions in foreign currency has been changed to 1.30 percent.



**30/03/2020**

**Payment of the tax obligations via credit card**

- Revenue Administration declared that payment of various tax debts for up to TL 50.000 could be made with the credit cards of the contracted banks through the Interactive Tax Office application.

**Postponement of hearings, negotiations and discoveries**

- The Board of Judges and Public Prosecutors decided except for urgent works to postpone the hearings, negotiations and discoveries of the first-instance and administrative judicial authorities as well as the regional courts and regional administrative courts until 30/04/2020 (including this date), except for the detainees and urgent works to postpone opening public lawsuits until 30/04/2020, and announced that judicial services did not stop completely during the postponement period and that the complaints about the crimes will continue.

**Dividend payments of the commercial entities**

- With the letter of The Ministry of Commerce to the Union of Chambers and Commodity Exchanges of Turkey (TOBB) dated 31/03/2020, the Ministry expressed the importance of protecting the equity of the capital companies due to Covid-19 virus based on "Regulation on the Procedures and Principles of General Assembly Meetings of Joint Stock Companies and the Representatives of the Ministry of Commerce to be Held in These Meetings" Article 13/5, except for the publicly held companies and mentioned that in the general assembly meetings of the capital companies to be held as of 01/04/2020, previous year profits should not be subject to distribution, the distribution amount should not exceed 25% of the net profit of 2019 and the board of directors should not be given authorization to distribute dividend advance. Decisions taken at general assembly meetings held before 01/04/2020 can be applied as they are. This view of the Ministry of Commerce should be considered as recommendation as no legal regulation has been issued so far in this regard.

**01/04/2020**

**Transaction expenses to be charged to commercial customers by the banks**

- The Communiqué No 2020/11 on the Amendment to the Communiqué on the Procedures and Principles Regarding the Charges Charged from Commercial Customers by Banks No. 2020/4 has been published in the Official Gazette on 29/03/2020 and entered into force on 01/04/2020.

**Changes in the customs regulation**

- The Regulation on the Amendment to the Customs Regulation has been published in the Official Gazette. With this Regulation, the problems experienced in customs procedures were tried to be minimized.

**02/04/2020**

**Postponement of payment of Social Security premiums**

- Social Security Institution announced that March, April, May insurance premiums of the taxpayers and shareholders who are members of the board of taxpayer joint stock companies who are deemed to be in force majeure situation are postponed to November and December, however, any information, document and declaration that have to be submitted to the institution has to be made on the due dates, and such due dates have not been extended.

**03/04/2020**

**Limitations on entering to 31 cities and curfew for the citizens under the age of 20**

- Entry and exits via all means of vehicles from land, sea and air to and from 30 cities which have metropole municipalities and Zonguldak have been temporarily stopped as of 03/04/2020 for a period of 15 days. In the following cases entry and exit will be allowed:
  - Local and international transport for the commercial purposes
  - Such transport vehicles have to return the city of origin within 72 hours
  - Transit local and international transportation through such cities are allowed
  - Transportation of the goods necessary for supply of gas, electricity and oil
  - If the city of domicile and the workplace in the different cities, travels of personnel or owner of such workplaces
  - Public personnel who works in the health and security fields
- All citizens born after 01/01/2020 are not allowed to go out temporarily as of 03/04/2020. However, those who are between the ages of 18-20 and who work in public institutions and organizations, work regularly at the private entities and seasonal agricultural workers are exempted from the curfew.

**10/04/2020**

**Consumer Arbitration Committee Regulation was amended to mitigate the effects of Covid 19**

- Amendments contain the following issues:
  - 1) Consumer Arbitration Committee meetings, which were not less than twice a month, will be temporarily suspended from 10 April 2020 until 30 April 2020 (including this date).
  - 2) The time given to submit the information and documents requested in accordance with Article 12/3 of the Regulation, the time period given to the experts to prepare

their reports in accordance with Article 21/2 of the Regulation, and the deadlines for notification of consumer arbitration boards decisions to the parties in accordance with Article 25/1 and Article 27/2 of the Regulation will temporarily freeze from 13 March 2020 (including this date) until 30 April 2020 (including this date). If the deadlines for the submission of information and documents have remained fifteen days or less as of the start of the stopping period, these deadlines are considered to be extended for fifteen days, starting on the day following the end of the stopping period.

#### **14/04/2020**

##### **Transition period to the Concise and Premium Service Declaration was postponed**

- In the Official Gazette dated 04/04/2020 and numbered 31089, the Communiqué (Sequence no: 8) regarding the amendment to the General Communiqué of the Concise and Premium Service Declaration (Sequence no: 1) was published. Accordingly, the transition period to the Concise and Premium Service Declaration has been postponed until 01.07.2020.

#### **15/04/2020**

##### **Amnesty law was published**

- Law Amending the Law on the Execution of Sentences and Security Measures and Certain Laws No. 7242 (“**Law**”) was published on the Official Gazette on 15/04/2020. This law amends a total of 11 different laws, including the Law on the Execution of Sentences and Security Measures, the Turkish Criminal Law and the Criminal Procedure Law.

Accordingly,

- Criminals sentenced to imprisonment for up to 3 years due to intentional crimes will directly fulfil their penalties in open penal institutions with the exception of the criminals sentenced due to terror crimes, organized crimes and crimes against sexual inviolability; criminals sentenced due to the same type of crime for the second time; and criminals whose penalties continue to be fulfilled in penal institutions due to the withdrawal of their conditional release order.
- Criminals sentenced to imprisonment for five years or less due to negligent crimes, criminals whose punitive fine penalties were converted to imprisonment, and criminals who were imposed a pressure imprisonment in accordance with the Enforcement and Bankruptcy Law will also directly fulfill their penalties in open penal institutions.
- If the administrative board determines that a prisoner is ready to re-integrate into society, execution judge will make an evaluation and decide whether to transfer the prisoner from the closed penal institution to an open penal institution.

- Prisoners in open penal institutions; prisoners in closed penal institutions entitled to be transferred to open penal institutions; and prisoners under probation are granted leaves of absence until 31/05/2020. If the pandemic continues, upon the Ministry of Health's proposal, the Ministry of Justice may extend this period three times on the condition that each extension does not exceed two months.
- In terms of the crimes committed before 30/03/2020, prisoners that have demonstrated good behavior, who are in open penal institutions or juvenile detention centers, and who have three or less years remaining until their conditional release, are entitled to go on probation. However the following crimes are excluded: first-degree murder; intentional injury; aggravated intentional injury; torture; crimes against sexual inviolability; violation of privacy; narcotic crimes; and terror crimes.
- Upon their requests, prisoners that have demonstrated good behavior and who are scheduled to be transferred to open penal institutions in a year or less, can be transferred to open penal institutions now on the following conditions: if they were sentenced to imprisonment for less than ten years and they spent one month in a closed penal institution; or if they were sentenced to imprisonment for ten years or more and they spent three months in a closed penal institution. The following crimes are excluded: crimes against national security and constitutional order; crimes of divulging state secrets; terror crimes; and organized crimes.
- in order to benefit from the conditional release provisions, prisoners must have demonstrated good behavior during their time in penal institutions. Prisoners must have served 1/2 of their sentence for conditional release, which the Law decreased from 2/3 of the sentenced time; and prisoners who committed repeated crimes or organized crimes must have served 2/3 of their sentence, which the Law decreased from 3/4 of the sentenced time. Prisoners sentenced to imprisonment due to the following crimes were excluded: first-degree murder; intentional injury; aggravated intentional injury; torture; crimes against sexual inviolability; terror crimes; violation of privacy; crimes of divulging state secrets; and espionage.

**16/04/2020**

**Statement of the Minister of Family, Labour and Social Services regarding Short Work Allowance and Prohibition of Termination of Employment Agreements**

- Family, Labour and Social Services Minister made the following statements regarding the law proposal on economic measures against the corona virus outbreak adopted by the Grand National:
  - Short Work will be made in accordance with the employers' declarations and completion of conformity examination shall not be waited.
  - During the 3-month period, employment contracts will not be terminated except in cases of breach of bona fide. In case of breach of this prohibition administrative penalties shall be imposed for each worker at his/her gross minimum wage amount on the date of termination.

- Employees who are entitled unpaid leave and who cannot benefit from the Short-Term Work Allowance and those whose employment contracts are terminated after March 15 will receive a monthly income of 1,177 TL for the unpaid leave or unemployment.

**Curfew from 10.04.2020 to 12.04.2020 / Circular of the Minister of Internal Affairs**

- With the Circular numbered 89780865-153-09.04.2020 issued by the Minister of Internal Affairs on 10.04.2020, a curfew has been declared for 30 cities with metropolitan status and all citizens in the provincial borders of Zonguldak with the exceptions stated below between the dates of 10.04.2020 and 12.04.2020.

30 cities with metropolitan status are:

Adana, Ankara, Antalya, Aydın, Balıkesir, Bursa, Denizli, Diyarbakır, Erzurum, Eskişehir, Gaziantep, Hatay, İstanbul, İzmir, Kahramanmaraş, Kayseri, Kocaeli, Konya, Malatya, Manisa, Mardin, Mersin, Muğla, Ordu, Sakarya, Samsun, Sanliurfa, Tekirdağ, Trabzon, Van

Exceptions:

Following businesses shall be open during the curfew:

1. Bakery and / or bakery licensed establishments where bread production is made,
2. Workplaces where all health products and medical materials (including medical masks) are produced,
3. Public and private health institutions and organizations, pharmacies,
4. Public institutions and organizations required for the maintenance of compulsory public services (such as nursing home, elderly care centre, rehabilitation centers, emergency call centers)
5. Fuel stations and veterinary clinics to be determined by governorships / district governorships, one for each 50,000 inhabitants,
6. Large facilities and businesses (such as Tüpraş, thermal and natural gas cycle power plants) that operate strategically in the natural gas, electricity, oil sector
7. Distribution companies such as PTT, cargo,
8. Animal shelter, farm and care centres,

Following persons are exempted from curfew

1. Managers, officers or employees of the business which are allowed to be opened during the curfew.
2. Employees of the Turkish Parliament,
3. Those who are in charge of ensuring public order and security,
4. Emergency call centres employees,
5. Those who will perform and participate in funeral burials of their first degree relatives,

6. Those who are in charge of maintaining supply systems that should not be interrupted and eliminating their malfunctions such as electricity, water, natural gas, telecommunications,
7. Those who are in charge of domestic and international transportation in logistics for the transportation of products and/or materials,
8. Those working in newspaper, radio and television organizations,
9. Employees of elderly nursing home, nursing home, rehabilitation centres, children's homes etc. social protection/care centres,
10. Employees of PTT, cargo and water distribution company,
11. Employees of the establishments operating in the sectors, such as ovens, cold storage, iron steel and glass industry,
12. Those who will work in the harvest of agricultural and livestock products at risk of spoiling,
13. Vehicles and employees involved in the distribution of bread produced in bakeries,
14. Those who have an appointment for blood and plasma donation under the coordination of the Red Crescent,

Travel permit documents (excluding those on the road) issued under the previous Circulars (except for health and funerals) will be valid on Monday.

#### Sanctions

In case of violation of the curfew administrative fines in accordance with the Article 282 of the Law on Public Sanitation Law, which is TL 3.150.-, as well as the sanctions stated in Article 195 of Turkish Criminal Code shall be applied, which is imprisonment of two months to a year.

#### **Electronical appointment system is implemented for the Notaries**

- Notaries Union of Turkey as part of measures to reduce the coronavirus experienced social isolation spent to implement the e-appointment system.

With the E-Appointment system appointments can be taken from all notaries at any time. E-Appointment system can be used;

- To make an appointment in a notary public to sign the transaction with a wet signature
- To make an appointment in the notary public's office to sign the transaction with an electronic signature
- To apply for a transaction before a notary public

**17/04/2020**

**Law no.7244 on Commuting the Effects of New Coronavirus (COVID-19) Outbreak on Economic and Social Life and Amending Certain Laws**

- Law numbered 7244 on Commuting the Effects of New Coronavirus (COVID-19) Outbreak on Economic and Social Life and Amending Certain Laws ("**Law No. 7244**") has been published on the Official Gazette.

The following provisions of Law No.7244 are directly affecting commercial companies::

- As per article 1, annual announcement and advertisement taxes and annual environmental cleaning taxes of the companies whose activities are stopped or companies who cannot continue its operations are not taken into consideration, which correspond to the periods in which the activities are stopped or inactive.
- As per article 2,:
  - ✓ validity period of the licenses granted under the Agricultural Products Licensed Warehousing Law, which will expire in 2020, has been extended by 1 year.
  - ✓ The period of giving authorization determinations within the scope of the Trade Unions and Collective Labor Agreement Law, collective labor agreements, resolution of collective labor disputes, and strike and lockout periods have been extended for three months starting from 17/04/2020. This period can be extended up to three months by the President.
- As per articles 6,7,8,9 and 10:

**1) Prohibition of Termination of the Employment Agreements**

With the Provisional Article 10 added to Turkish Labour Law no: 4857 during the period of three months starting from 17/04/2020 until 17/07/2020 ("prohibition period") any kind of employment or service agreements (i.e. labor service) cannot be terminated by the employer except for terminations arising from the employee's behavior contrary to the rules of ethics and goodwill and similar cases,.

The employer may completely or partially send the employee on unpaid leave for a maximum period of three months starting from 17/04/2020 The fact that the employer

sends an employee on unpaid leave does not give the employee the right to terminate their employment agreement based on just cause.

If the employer or employer representative terminates the employment agreement of the employees contrary to the prohibition of termination, the employer and employer representative will be imposed an administrative fine equal to the minimum monthly gross salary valid on the termination date per employee.

The President has been empowered to extend the periods of termination prohibition and maximum unpaid leave for up to a total of six months.

## **2) Salary support during the unpaid leave or unemployment during the prohibition period**

With the Provisional Article 24 added to Unemployment Insurance Law numbered 4447 employees listed below will receive salary support amounting to TRY 39.24 per day from the unemployment fund while they are on unpaid leave or are unemployed for the periods of prohibition of termination provided that they do not receive a pension pay from any social security organization:

- Employees sent on unpaid leave and who cannot benefit from the short-term working allowance; and
- Employees who are covered by Article 51 of the Unemployment Insurance Law, whose employment agreements are terminated after 15/03/2020, and who cannot benefit from unemployment insurance benefits.

Salary support payments will not be subject to any deduction except stamp tax.

If it is determined that the employee benefiting from the salary support is actually physically employed by the employer while they were on unpaid leave, the employer will be subjected to an administrative fine equal to the minimum monthly gross salary valid on the violation date, per employee per month, and the paid salary support will be collected from the employer plus the legal interest accrued from the payment date of the salary support.

## **3) Short-term working allowance applications**

With the Provisional Article 25 added to Unemployment Insurance Law numbered 4447 short-term working allowances will be made in accordance with the employers' declaration, without waiting for the completion of the eligibility assessment for the short-term working applications for compelling reasons arising from COVID-19 made by the employer. Overpayments and improper payments made due to incorrect information and documents provided by employers will be collected from the employer together with interest.

These amendments to short-term working applications came into effect retroactively on 29/02/2020.



- As per article 12

**Restrictions on dividend distribution of the capital companies:**

With the Provisional Article 13 added to the Turkish Commercial Code until 30/09/2020 General Assemblies of the capital companies;

- (i) may resolve to distribute only 25% of the net profit gained in the fiscal year 2019,
- (ii) cannot resolve on to distribute previous years' profits and free reserves and
- (iii) cannot grant board of directors the right to distribute advance dividend.

President is authorized to extend or shorten the term for three months.

If the general assembly resolved to distribute dividend for the fiscal year 2019, but the payment has not been made yet or partial payment has been made to the shareholders, then the payments exceeding 25% of the net profit for 2019 have to be postponed until 30/09/2020 or any other date to be determined by the President.

Ministry of Trade may determine the exceptions to be applied to the companies and the procedures and principles regarding the implementation of the provisional article 13.

- As per articles 13 and 14;

**Prohibition of Excessive Price Increase in the Retail Trade**

With the new sub paragraph added to article 18 of the Law No. 6585 on Regulation of Retail Trade:

- (i) excessive prices may be punishable by an administrative fine between TL 10.000 and TL 100.000, and
- (ii) conduct to create scarcity, distort competition or prevent consumers from accessing goods may be punishable by an administrative fine between TL 50.000 and TL 500.000.

The administrative fines shall be applied by the Unfair Price Assessment Board.

Additionally, with the Additional Article 1 added to the Law No. 6585 on Regulation of Retail Trade:

- regardless of their position in the market (whether they are dominant or not) manufacturers, suppliers and retail businesses are not allowed to make an excessive increase in the selling price of a good or service.

# YAMANER & YAMANER

LAW OFFICE

- No activities can be carried out by manufacturers, suppliers and retail businesses to prevent the consumer from accessing goods and activities that create a disruption in the market, disrupt market balance and free competition.
- Unfair Price Evaluation Board is established in order to make arrangements for excessive price increases and stockpiling practices of manufacturers, suppliers and retail businesses, to apply administrative fines and to take all kinds of measures by making audits and examinations when necessary.