

## CLIENT ALERT

CORPORATE LAW | TURKEY |

MARCH 2020

### COVID-19 MEASURES IN THE FIELD OF CORPORATE LAW

As part of the measures taken in Turkey to restrict the gathering of individuals in an effort to limit the spread of the coronavirus, several decisions are also being taken in relation to corporate law. This newsletter proposes to review some of the measures taken to date.

#### **GENERAL ASSEMBLY MEETINGS OF JOINT-STOCK AND LIMITED COMPANIES**

Pursuant to the Turkish Commercial Code ("TCC") No. 6102, ordinary general assembly meetings of joint-stock and limited companies should be convened within three months from the end of each financial year. Since companies frequently align their financial year with the calendar year, this usually requires in practice the holding of ordinary general assembly meetings before the end of March.

In this regard, a statement has been published by the Turkish Ministry of Trade's Internal Trade General Directorate in letter No. 53382221 dated 20 March 2020 regarding ordinary general assembly meetings of joint-stock and limited companies, which introduces certain simplifications for the cancellation of general assembly meetings that have already been called, and the usage of Electronic General Assembly System (e-GKS in Turkish).

- **Cancellation of general assembly meetings that have already been called**

The ordinary general assemblies of joint-stock and limited companies that have already been called this year for a meeting by their corporate bodies, in line with TCC and their articles of association, can be cancelled with a resolution adopted by the relevant corporate body of the company without need to wait until the actual convening of the general assembly and the adoption of a postponement decision. Announcement petitions related to this postponement shall be directly treated by the Directorate of the Turkish Trade Registry Gazette ("TTRG").

For such cancellation, it is sufficient to send a notarised copy of the resolutions to be adopted by the board of the joint-stock company or of the limited company and to send to the TTRG a signed version of the announcement text available on the website of TTRG via mail or cargo and to pay the publication fees to the bank account of the institution via online banking.

- **General assembly meeting via e-GKS**

In accordance with Article 1527/5 of the TCC and the provisions of the Regulation on General Meetings to be held in the Electronic Environment in Joint-Stock Companies, general assembly meetings in joint stock companies can be held electronically via e-GKS, provided that the relevant provision regarding the implementation of e-GKS is set forth in their articles of association and an electronic system having listed criteria is made available.

In its abovementioned statement, the Ministry of Trade indicated that to ensure that the meetings looking to be organised during this period can be held via e-GKS, companies not having a provision in their articles of association enabling general assembly meetings to be held electronically can now benefit from this opportunity by obtaining support services from Merkezi Kayıt Kuruluşu Anonim Şirketi (MKK in Turkish). This will allow shareholders to take part electronically in said meeting.

Those companies that will benefit from this opportunity shall then, during the first general assembly meeting to be held, make the necessary amendments to their articles of association for the sake of incorporating a new provision enabling the general assembly to be held electronically.

In this regard, such companies must register by filling out the application form on the MKK website in order to organise the general assembly meeting via e-GKS. Where e-GKS is used in general assembly meetings, shareholders or their representatives can attend these meetings and exercise their rights provided that they can use electronic signatures or mobile signatures.

Meetings of boards of directors can also be held electronically through the Electronic Board of Directors System, established by MKK.

It is worth mentioning here that, so far, no announcement has been made regarding any possible decision taken by the Istanbul Provincial Directorate of Trade regarding the representatives of the Ministry of Trade attending the general assembly meetings of joint-stock companies held in Istanbul. Accordingly, the existing obligations relating to the summons and attendance of the said ministry representatives to general assembly meetings held physically will continue to apply without any change.

## **GENERAL ASSEMBLY MEETINGS OF NON-GOVERNMENTAL ORGANISATIONS**

The Turkish Ministry of Internal Affairs issued an additional circular dated 16 March 2020 which was delivered to 81 provincial governorships, whereby all meetings and activities including general assembly meetings and trainings of non-governmental organisations, such as associations and foundations, are temporarily postponed as from 17 March 2020 at midnight.

## **NEW ARRANGEMENTS FOR PROCEDURES BEFORE TAX OFFICES**

In accordance with the announcement published on the Turkish Ministry of Treasury and Finance Revenue Administration website on 19 March 2020, all petitions to be submitted to tax offices for transactions such as starting or terminating business activities, branch opening/closing, address change, or obtaining of certificate of absence of debt can be delivered electronically until 10 April 2020 via the Interactive Tax Office's website, mobile application, or post.

The announcement further specifies that requests for obtaining a potential tax identification number for non-Turkish citizens can also be made via the Interactive Tax Office application. The official tax document shall then be created in electronic format and delivered through the same application.

## NEW WORKING ORDER OF THE ISTANBUL CHAMBER OF COMMERCE AND NOTARY PUBLIC

The Istanbul Chamber of Commerce announced on 27 March 2020 that its working hours would be rearranged as 10 AM - 4 PM for a temporary period of time starting from 30 March 2020. Applications for registration before the trade registry shall be accepted until 2 PM on weekdays. Procedures relating to other trade registry transactions and commercial document such as submission of declaration of signature shall remain unchanged for the time being. Furthermore, companies registered with the Istanbul Chamber of Commerce have the opportunity to obtain e-signed activity documents and copies of the trade registry gazette from the online transactions section of the Istanbul Chamber of Commerce website.

Similarly, the Union of Notaries of Turkey ("UNT") published an announcement on its website on 16 March 2020 whereby the notaries shall now operate their services by way of rotation during weekdays. Service during weekends shall be postponed until a further decision. In addition, an e-Application service was launched on 26 March 2020 on the website of UNT in order to prevent queues at public notary offices.

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*In compliance with Turkish bar regulations, opinions relating to Turkish law matters that are included in this client alert have been issued by Özdirekcan Dündar Şenocak Avukatlık Ortaklığı, a Turkish law firm acting as correspondent firm of Gide Loyrette Nouel in Turkey.*

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