



Turkey: Recent Corporate Law Measures Taken by the Turkish Ministry of Trade amid Covid-19 Outbreak

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The General Directorate of Domestic Trade of the Ministry of Trade (the “**General Directorate**”) has issued an official statement on March 20, 2020 (“**Statement**”) in order to adopt certain measures to ease the process of holding general assembly meetings of joint stock and limited liability companies (together, the “**Companies**”) in the light of ongoing concerns about the novel coronavirus (COVID-19) outbreak across the country.

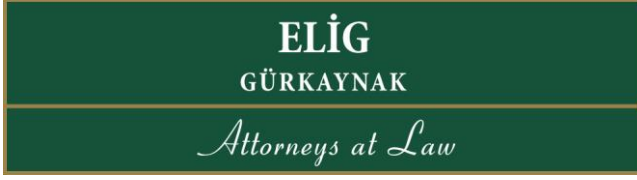
According to the Statement, the necessity to implement measures have arisen due to the fact that majority of the Companies prefer calendar year as their fiscal period and that they have to hold their ordinary general assembly of shareholders meeting until the end of March 2020, which can result in faster spread of the novel coronavirus (COVID-19).

In this respect, the General Directorate has allowed the Companies to cancel their general assembly meetings without convening the general assembly to resolve on postponing the meeting to a another date. According to the Statement, if the board of directors’ of the Companies have already invited the shareholders to the general assembly meeting in accordance with the provisions of the Turkish Commercial Code No.6102 (“**TCC**”) and their articles of association, they can cancel the meeting solely with a board of directors’ resolution.

The General Directorate has provided a sample announcement template for the Companies, which can be obtained from the official website of the Turkish Trade Registry Gazette (“**TTSG**”). In addition, the TTSG has announced that (i) any announcement document (*e.g.* general assembly meeting cancellation documents) can be submitted to the TTSG Directorate through post offices or cargo companies instead of delivery by hand and (ii) payments can be made online through the official website of the TTSG.

Secondly, the General Directorate advised the Companies to hold their general assembly meetings in an electronic environment in accordance with Article 1527 of the TCC if they do not prefer to cancel the meetings, stating that the general assembly meetings to be held in an electronic environment will minimize the risk of spreading novel coronavirus (COVID-19) to people.

Furthermore, contrary to Article 1527/1 of the TCC which requires articles of association of Companies to contain a certain provision to have electronic general assembly meetings and board of directors meetings, the General Directorate has permitted Companies that do not have any provision in their articles of association to hold such meetings electronically. The General Directorate has stated that Companies can hold meetings through “*Electronic*



General Assembly Meeting System” and “*Electronic Board of Directors System*”, which are provided by the Central Securities Depository Institution (“**MKK**”).

The General Directorate has also underlined that the Companies should obtain support services from the MKK and should not prevent rightful parties from electronically participating in the meetings.

Finally, the General Directorate has stated that Companies can amend their articles of association to include a provision regarding electronic meetings in the first general assembly of shareholders meeting to be held following the electronic general assembly of shareholders meeting held in accordance with the Statement.

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