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LEGAL INSIGHTS QUARTERLY

December 2025 – February 2026

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Preface to the December 2025 Issue

The December 2025 issue of Legal Insights Quarterly was prepared to provide an extensive look into the upcoming legal issues, as well as the foremost contemporary legal agenda in Türkiye.

The Corporate Law section focuses on the principle of equal treatment which aims to ensure that shareholders are treated equally under comparable circumstances, which prevents arbitrary or unfair treatment towards shareholders. While the Banking and Finance Law section addresses the rules and requirements for electronic money and electronic money institutions, the Capital Markets Law section discusses share capital increases in listed companies through issuance of shares below the nominal value.

The Competition Law section of the December 2025 issue features four analytical contributions offering insight into the Board's evolving decisional practice and enforcement priorities across both vertical and merger control contexts. The section covers the Board's continued per se (by object) approach to resale price maintenance and its intensified reliance on digital evidence as part of a zero-tolerance enforcement strategy, as well as the Board's approach on exchange of competitively sensitive information. The section also illustrates Board's assessment of conglomerate effects and data-based foreclosure risks in digital ecosystems, highlighting the growing use of behavioural commitments in complex merger cases, and the Board's review of cross-border defence sector mergers, its evaluation of input foreclosure concerns, and its increasing openness to behavioural remedies to preserve supply continuity and competition.

Moving on, the Dispute Resolution section provides a summary of a significant decision, with respect to the need for the legislature to enact a new statutory regulation to remedy losses arising from the depreciation of receivables.

The section on Data Protection Law offers a detailed examination of the latest decision of the Turkish Data Protection Authority regarding sending verification codes via SMS during product and service delivery processes. The Internet Law section provides insight into the first criminal case under Türkiye's newly enacted Cyber Security Law, whereas the Telecommunications Law section examines the Draft Amendment to the Internet Domain Names Regulation which was recently published for public opinion and introduces several important changes to the management of internet domain names in Türkiye. Furthermore, the White-Collar Irregularities section provides an overview on the draft General Communiqué (No. 30), which introduces a tiered approach to declarations of cash transactions conducted through financial institutions. The Employment Law section sheds light on a decision of the Constitutional Court which examines rights associated with collective bargaining agreements. Finally, the Intellectual Property Law section elaborates on a decision of the Court of Cassation regarding a trademark that possesses a high degree of distinctiveness and exhibits a high level of similarity to a prior mark.

December 2025



Corporate Law

Statutory Balance between the Minority and Majority Shareholders: The Principle of Equal Treatment

I. Introduction

In joint-stock companies, shareholders exercise their rights pro rata their shareholding in the company, *i.e.* the percentage of shares they own in the company's share capital. This percentage plays an important part with respect to the majority principle, as the resolutions of the general assembly of the shareholders and board of directors in joint-stock companies are taken by majority (of the shareholders, or the directors, as applicable) and thus, the decisions reflect the will of the majority. This principle forms the basis of Article 434 of the Turkish Commercial Code ("*TCC*") which provides that shareholders shall exercise their voting rights in the general assembly in proportion to the total nominal value of their shares. Article 423 of the TCC states that resolutions taken by the general assembly shall also apply to those shareholders who were not present at the meeting, as well as those who had voted against the decision. Similarly, in accordance with Article 390 of the TCC, board of directors' meetings are held with a majority of the board members in attendance, and resolutions are passed by approval of a majority of the members present at the meeting. In order to therefore maintain a balance between the interests of majority and minority shareholders, legislators have set forth the principle of equal treatment which aims to counterbalance the majority principle by limiting the power of the majority for the benefit of the minority.

II. Principle of Equal Treatment

The principle of equal treatment, which was previously established by court precedents, is currently set out under Article 357 of the TCC as "*shareholders will be treated equally under equal conditions*" The implementation of the equal treatment principle aims to enable all shareholders to participate more effectively in the company's decision-making mechanisms. The objective is to create a structure that fosters a functional democratic environment where minority shareholders could make their voices better heard, and their cooperation with majority shareholders are supported. It should be noted that, as per Paragraphs 89 and 121 of the General Preamble of the TCC, the principle of equal treatment does not only include the shareholders but also every interested party with respect to the company, including its employees, creditors and customers.

Pursuant to the preamble of Article 357 of the TCC, the principle of equal treatment is only applicable in cases where all conditions are equal, in other words, this principle does not give an absolute right to shareholders. In this regard, based on the principle of contractual freedom, all shareholders in joint-stock companies may waive the principle of equal treatment by their votes and as may be required under the particular circumstances. Accordingly, the shareholders may agree to grant certain privileged rights to others, through the articles of association of the company.

The preamble of Article 357 of the TCC indicates that the principle of equal treatment only applies to the company-related provisions of TCC. This principle regulates the relationship between shareholders and the company and does not affect the relationship among



shareholders themselves. Therefore, shareholders are not under any obligation to act in a certain way with respect to other shareholders.

Although TCC has one specific article to define the principle of equal treatment, the principle itself appears in and can be traced through different provisions of the TCC. For example, at the general assembly meetings, cases where the list of attendees omits certain shareholders, or company fails to invite some shareholders, or allows particular shareholders' representatives to attend the meeting while excluding others, would all constitute a violation of the principle of equal treatment.

It should be noted that, principle of equal treatment should be applied as a whole and cannot be limited for cases where shareholders request information from the company or for special audit to be conducted. Furthermore, shareholders shall be deemed completely equal if they initiate nullity proceedings against the company. These rights are granted to each and every shareholder, regardless of the number of their shares.

III. Breach of the Principle of Equal Treatment

As stated in the preamble of Article 357 of the TCC, the legal consequence of a violation of the principle of equal treatment may be annulment depending on the circumstances of the concrete case, but that is not the sole consequence. In this context, Article 391 of the TCC stipulates that board of directors' resolutions which breach this principle are deemed null and void.

In terms of general assembly meeting resolutions, as set forth in Article 447 of the TCC, particularly those resolutions that

(i) restrict or eliminate the shareholder's rights to participate in the general assembly, to vote, to bring a claim; or other inalienable rights under the TCC; (ii) restrict the shareholder's rights to obtain information, examine, and audit, beyond the extent determined by the TCC; or (iii) undermine the fundamental structure of the joint-stock company or constitute a violation of the provisions on the protection of share capital; are deemed null and void. Given that these rights are related to the principle of equal treatment, the consequences of a breach would lead to the relevant resolution becoming null and void.

In terms of the principle of equal treatment, the criterion used to determine the boundary between annulment and nullity sanctions, is that of "continuous breach" Accordingly, resolutions that result in a continuous breach with the principle of equal treatment will be subject to nullity, whereas annulment sanctions will be applied only if the breach affects specific shareholders temporarily. For example, paying different dividends to same shares, limiting the pre-emptive rights of certain shareholders without an objective reason, or granting privileges to certain shares through amendments to the articles of association, may be subject to annulment claims. In all these examples, the interest violated is that of the particular existing shareholders who are disadvantaged by the transaction. On the other hand, a resolution that, for example, eliminates the rights of certain shareholders to vote or participate in the general assembly should be considered null and void. This is because such a resolution would not only create inequality among existing shareholders, but also have the potential to affect future shareholders in the event of a change of ownership.



IV. Conclusion

The principle of equal treatment aims to ensure that shareholders are treated equally under equal conditions. It is designed to prevent arbitrary inequality between shareholders, with exceptions allowed in case of legitimate reasons, provided that the restrictions are justified by objective criteria set forth in the TCC. Ultimately, the primary aim of the principle is to balance the interests of shareholders while protecting minority shareholders and ensuring that corporate resolutions serve the company's best interests without unfairly benefiting any party.

Banking and Finance Law

New Era for Money: Electronic Money and Electronic Money Institutions

Developments in technology have given rise to creation of money in electronic form, in addition to its existing traditional forms. As a result, the issuance and use of electronic money have become a regulated sector in Türkiye. Under the Turkish legislation, the legal foundation and regulatory framework for electronic money and electronic money institutions are primarily established by “Law No. 6493 on Payment and Securities Settlement Systems, Payment Services, and Electronic Money Institutions” and “Regulation on Payment Services and Electronic Money Issuance and Payment Service Providers”.

According to this legal framework, electronic money can be issued by electronic money institutions authorized by the Central Bank of the Republic of Türkiye (“**Central Bank**”), banks operating under Banking Law No. 5411, and Posta ve Telgraf Anonim Şirketi (*i.e.*, the national Post Office). Institutions seeking to issue electronic money must

apply to and obtain an operation license from the Central Bank. This article will therefore primarily focus on the concept of electronic money and activities of electronic money institutions as set out in the relevant statutory framework.

To operate as an electronic money institution, entities must meet specific corporate and operational requirements. Generally, these requirements include the following: (i) entity must be established in the form of a joint-stock company, (ii) shareholders holding 10% or more of its share capital and those exercising control must meet the conditions required for bank founders, (iii) company's shares must be issued in exchange for cash capital subscriptions, and such shares must be registered shares, (iv) company should have a minimum share capital of TRY 5 million, (v) company should have sufficient technical and personnel resources to carry out its operations, and (vi) it must put in place the necessary measures regarding confidentiality and maintain a transparent organizational structure.

Electronic money institutions enable users to store and utilize the value of traditional physical money (such as banknotes and coins) in an electronic environment. Electronic money is issued only after its physical equivalent is received by the issuer and cannot be generated independently of such a deposit. In this way, electronic money represents an actual amount of physical money, which is securely held by the issuing institution and then converted into electronic form for usage.

Electronic money is accepted as a payment instrument not only by the issuing institution but also by other real and legal persons and can be subject to payment



transactions. As a recognized payment instrument, it can be utilized in various financial transactions, such as deposit, transfer, or withdrawal of funds carried out upon instruction. In brief, the fundamental characteristics of electronic money are that it is issued by an authorized institution in exchange for money, stored electronically, used to carry out payment transactions, and recognized by third parties.

Electronic money institutions are also classified as payment service providers under the relevant laws. Therefore, electronic money institutions may engage in payment services activities besides their electronic money issuance activities. Payment services generally include depositing and withdrawing funds from a payment account, executing direct debit instructions, payment transactions using instruments such as payment cards, payment orders, payment instrument services, remittance services, and bill payments.

To protect customers and ensure financial stability, electronic money institutions are subject to a comprehensive set of regulatory obligations. Notably, electronic money accounts must not be used as bank deposit accounts, nor can they be used to borrow loans or for any other benefits. Institutions are prohibited from using these funds to offer loans or provide any financial returns to customers. Essentially, the institution issuing electronic money must issue the electronic money equivalent to the amount of funds it has received, without delay. It cannot charge interest on these funds, and no benefits can be provided to the customer for the period during which the electronic money is held.

Institutions are also required to safeguard the funds they receive for the issuance of electronic money. Accordingly, they must

maintain dedicated bank accounts solely for safeguarding the funds collected for the issuance of electronic money, and this bank account should only serve to hold and protect such funds. These funds must be kept separate from the institution's own funds and cannot be kept in any currency other than the currency in which the funds were received. Funds received in exchange for the issuance of electronic money cannot be used as collateral by the institution or for any other purposes.

The other protection afforded to customers and financial stability in general, is the right to refund the electronic money. Upon their request, customers may convert their electronic money, partly or fully back into its original physical form or another form of electronic money. The refund may be made by converting the electronic money into banknotes, coins, or funds deposited into a bank account, or electronic money issued by another institution. An electronic money institution is obliged to fulfil this request without delay and in any case no later than the end of the next business day.

It is also significant to note that pre-payment instruments that can be used within store networks of institutions issuing electronic money are exempt from the arrangements applicable to electronic money institutions, provided specific conditions are met. To benefit from this exemption, pre-payment instruments issued by an electronic money institution must be used (a) within its own store network, (b) for the purchase of a specific group of goods or services, or (c) within a defined service network established through an agreement. Having said that depending on size and impact area of the foregoing pre-payment instruments, the Central Bank may consider such structures to be within the scope of the applicable law related to electronic money.



All in all, legal framework of Türkiye regulates electronic money to ensure secure and transparent digital payments, without conferring additional benefits to either the issuing institution or the customer, while consistently prioritizing customer protection. By imposing strict standards on electronic money institutions, the Central Bank promotes stability in the digital finance ecosystem. Electronic money still serves as a modern alternative to cash, but its issuance and use are highly regulated to ensure consumer protection and financial stability.

Capital Markets Law

An Exception for Listed Companies: Issuance of Shares Below Nominal Value

According to the Turkish Commercial Code No. 6102 (“*TCC*”), as a general rule, new shares cannot be issued below the nominal value of the existing shares. On the other hand, pursuant to Capital Markets Law No. 6362 (“*CML*”) and Communiqué on Shares (VII-128.1) such an issuance can be permissible under certain exceptional circumstances for public joint-stock companies whose shares are listed on the stock exchange. This article will focus and elaborate on these exceptional circumstances.

Pursuant to Article 12/2 of CML, if the market price or book value of the shares is below their nominal value, new shares may be issued at a price below the nominal value by pursuing a share capital increase process, subject to the approval of the Capital Market Board (“Board”). According to the reasoning of CML, the rationale behind this provision and granting such opportunity to public companies is to prevent financial challenges faced by listed companies that

are unable to increase their share capitals and whose shares are trading below their nominal value.

In order to issue shares below the nominal value, a specific application process to the Board must be carried out and certain conditions must be satisfied. Most importantly, the shares of a public company must be listed on the stock exchange. Public companies whose shares are not listed on the stock exchange cannot issue shares below the nominal value, although such companies will be able to issue shares at or above the nominal value, provided that they comply with the other formalities required for capital increase.

Secondly and as another core necessity, the company must have adopted the registered capital system. Companies which have adopted the authorized capital system cannot issue shares below nominal value. That said, merely adopting the registered share capital system is not sufficient for the board of directors to decide on issuing shares below the nominal value. The board of directors must have also been specifically authorized to do so, through the articles of association.

Thirdly, the stock exchange price of existing shares must be below their nominal value. This is determined by considering whether the weighted average price of the shares on the stock exchange over the 30 (thirty) days prior to the public disclosure of the share capital increase is below the nominal value.

Furthermore, the price of the issued shares must not be less than the average of the weighted average of prices constituted on the stock exchange within 30 (thirty) days from the date of public disclosure of the share capital increase. Such difference between the nominal and issue values of



newly issued shares is booked as a deduction from equity, in the company accounts. This amount may be offset from equity components that can be included in the share capital by approval of the general assembly. Otherwise, general assembly cannot resolve on distribution of profit.

If certain privileges have been granted to specific share groups or specific shareholders constituting a group in the articles of association, such privileges must be removed by amending the articles of association before delivery of the prospectus or issue document which will be approved by the Board. For this purpose, a general assembly meeting must be held for resolving on changing relevant article in relation to privileged share groups in the articles of association. The amendment to the articles of association must also be approved by the special meeting of the privileged shareholders, if necessary.

It is also possible that the privileged shareholders may not be willing to relinquish these privileges. In this case, those who control the management and/or the privileged shareholders must issue a tender offer to other shareholders.

In addition, issuance of new shares at a value below the nominal value of the existing shares, may be carried out through offering of the shares to the public or through their sale without such an offering. Formalities shall vary depending on whether the shares will be publicly offered or not.

If issued shares are offered to the public, shareholders having management control must exercise their rights to acquire new shares. The shares to be issued under the nominal value of the existing shares shall be subject to the same trading rules as

other listed shares. They will therefore be traded in the same manner as shares issued at nominal value on the stock exchange.

Conversely, if shares are not offered to the public, the right to acquire new shares must be completely restricted. In this case, also a specific report must be prepared, addressing (i) any investments to be made in the company over a period of 1 (one) year, (ii) the use of funds from the capital increase, (iii) whether the debts of the company will be paid off, and (iv) any other significant transactions which are planned, which will be included in the application documents to be submitted to the Board and additionally published in the Public Disclosure Platform. It is also significant to note that the shareholders who will acquire the shares in either way shall be prohibited from selling these shares on the stock exchange for 1 (one) year.

All in all, share capital increase through issuance of shares below the nominal value is a significant privilege for public companies whose shares are trading on the stock exchange to overcome financial challenges and provides financial relief to public companies that are unable to increase share capital. Through this method, companies can inject cash and recover from financial difficulties before the situation aggravates itself. On the other hand, the process is subject to strict regulatory oversight to protect interests of investors and therefore, it subject to approval of the Board. To draw up a roadmap for application to the Board, it is important to determine whether shares will be offered to the public or not.



Competition / Antitrust Law

Packaged Water Suppliers Fined for Exchange of Competitively Sensitive Information on Future Prices

I. Introduction

The Turkish Competition Board (the “**Board**”) imposed administrative monetary fines against Erikli Su ve Meşrubat Sanayi ve Ticaret AŞ (“**Erikli**”) and Pınar Su ve İçecek Sanayi ve Ticaret AŞ (“**Pınar**”) for violating Article 4 of Law No. 4054 on the Protection of Competition (“**Law No. 4054**”) by engaging in the exchange of competitively sensitive information such as future sales prices.¹

The Board found that, considering that both Erikli and Pınar both use exclusive distribution systems, the information exchange carried out directly between the two undertakings or indirectly through their distributors was not intended as market research, but rather aimed at sharing commercially sensitive information with a view to reduce strategic uncertainty in the market. The Board further assessed that the exchange of future-related information restricted competition by object, and therefore there is no requirement to demonstrate whether the exchange of such information resulted in any actual anticompetitive effects.

II. Background

According to several complaints submitted to the Turkish Competition Authority (“**Authority**”) in early August 2023 it was reported that, within the scope of the examination and research activities

conducted by the Confederation of Consumer Organizations since January 2022, the price movements of 23 basic food products sold in the chain supermarkets BİM Birleşik Mağazalar A.Ş., Migros Ticaret A.Ş., Şok Marketler Ticaret A.Ş., and CarrefourSA Carrefour Sabancı Ticaret Merkezi A.Ş. were analysed, and several reports reflecting these price trends were prepared. These reports indicated that, in recent periods, the shelf prices of Buzdağı, Abant, Assu, Hamidiye, and Özkaynak branded natural spring waters had tended to change on the same day or within one day of each other, and that the shelf prices of bottled waters belonging to different brands appeared to be aligned. An additional complaint filed on August 7, 2023 alleged that the retail price of dispenser size bottled water in Istanbul had increased by TRY 10–15 within a two-week period, potentially as a result of coordinated price increases among suppliers.

Further to the complaints by third parties, the Board decided to launch a preliminary investigation to determine whether undertakings active in the packaged water industry, including Erikli and Pınar, had violated Article 4 of Law No. 4054. As a result of the preliminary investigation, the Board decided that there was no need to initiate a full-fledged investigation as to whether the relevant undertakings engaged in horizontal price fixing and/or resale price maintenance. However, the Board decided to initiate a full-fledged investigation against Erikli and Pınar to assess whether they violated Article 4 of Law No. 4054 by way of exchange of competitively sensitive information.

¹ The Board’s decision dated 24.04.2025 and numbered 25-16/377-175.



III. Assessment of the Findings Obtained During On-Site Inspections

During the on-site inspections conducted at the premises of Erikli and Pınar, the Authority obtained numerous correspondences of the investigated undertakings which illustrate that Erikli and Pınar had communicated with each other directly, or indirectly through their distributors, and exchanged information regarding sales volumes and future prices.

While assessing certain findings, the Board also examined the price lists in effect at the time the relevant correspondence took place and evaluated whether the conduct amounted to an exchange of competitively sensitive information. The Board found that actual price changes of Erikli and Pınar were consistent with the dates and statements included in the correspondences/evidence obtained by the Authority. Based on the relevant correspondence and the price lists examined, the Board observed that Pınar and Erikli were able to obtain information through their respective distributors regarding each other's future prices that had not yet been implemented. It was also observed from one of the findings that executives of Pınar and Erikli exchanged competitively sensitive information regarding the current and future pricing strategies of both undertakings with each other.

The Board also examined the structural characteristics of the packaged water market, emphasizing that the dealership system constitutes an integral element of the distribution model. It was also observed that the presence of two or more dealers belonging to different suppliers even within the same neighbourhood, coupled with the increasing variety of

communication channels, enables competitors to easily obtain information regarding the timing of price changes communicated by suppliers to their own dealers. Against this background, the Board characterized the market as highly transparent.

As a result, the Board held that Erikli and Pınar engaged in exchange of competitively sensitive information with each other directly and/or through their distributors. Considering that both undertakings operate under exclusive dealership systems, the Board evaluated that the direct and indirect communications between Erikli and Pınar extended beyond legitimate market research activities and these communications were aimed at exchanging commercially sensitive information. Moreover, given that Erikli and Pınar exchanged future-related information with each other, the Board concluded that such information exchange restricted competition by object, and therefore there is no need to demonstrate any actual anticompetitive effects.

IV. Conclusion

In light of the findings and taking into account both the structure of the relevant market and the nature of the information exchanged, the Board concluded that the exchange of current and future-related prices and sales volumes between Erikli and Pınar increased market transparency, diminished competitive uncertainty, and restricted competition in the relevant market. Accordingly, the Board imposed an administrative fine of TRY 21,106,469.63 on Erikli and an administrative fine of TRY 4,877,401.33 on Pınar for violating Article 4 of Law No. 4054. This decision once again underscores the Board's strict approach towards information exchange practices,



particularly in markets characterized by structural transparency. The Board's analysis also underlines the relevance of market characteristics and distribution networks adopted by the undertakings party to the information exchange, to determine whether an information exchange amounts to legitimate market research activity or exchange of competitively sensitive information that restricts competition.

Framing Zero Tolerance: The Turkish Competition Board's Strict Approach to Resale Price Maintenance in its Assessment of the Canon Eurasia Decision²

I. Introduction

The Turkish Competition Board ("Board") imposed an administrative monetary fine of TRY 38,300,958.83 (approx. EUR 782,842.46)³ on Canon Eurasia Görüntüleme ve Ofis Sistemleri A.Ş. ("**Canon Eurasia**") on June 12, 2024 for violating Article 4 of Law No. 4054 on Protection of Competition ("**Law No. 4054**"). The fine was imposed on the grounds that Canon Eurasia engaged in

resale price maintenance ("**RPM**") practices ("**the Decision**").⁴

The Board's investigation focused on whether Canon Eurasia unlawfully interfered with the resale prices of its resellers. Drawing on extensive evidence collected during on-site inspections (including WhatsApp messages, e-mail correspondences, and internal communications), the Board found that Canon Eurasia had systematically intervened in its resellers' pricing policies. The Board concluded that the evidence demonstrated that Canon Eurasia had issued warnings to resellers who sold below the desired price levels, pressed for price increases in line with its instructions, closely monitored sales across different distribution channels, and leveraged support payments to discipline non-compliant resellers. On this basis, the Board concluded that Canon Eurasia had engaged in RPM, which is a practice that is deemed to be a restriction of competition "by object"⁵ in Turkish competition law and as such, does not require a separate effects analysis.⁶

The Decision is noteworthy because of (i) its consistent approach with its former case law of treating RPM practices as per se (by object) violations, (ii) the magnitude of the fine, which reflects the Board's recent trend of imposing high-profile RPM fines across different industries as part of its strict and deterrent enforcement stance

² This article first appeared in Mondaq on September 29, 2025 as "Framing Zero Tolerance: The Turkish Competition Board's Strict Approach To Resale Price Maintenance In Its Assessment Of The Canon Eurasia Decision" (<https://www.mondaq.com/turkey/antitrust-eu-competition/1684428/framing-zero-tolerance-the-turkish-competition-boards-strict-approach-to-resale-price-maintenance-in-its-assessment-of-the-canon-eurasia-decision>) (accessed on October 24, 2025).

³ The exchange rate used is EUR 1 = TRY 48.9255. (Based on the Turkish Central Bank's exchange rates of September 23, 2025)

⁴ The Board's *Canon Eurasia* Decision, (June 12, 2024, 24-26/640-265).

⁵ The Board's Başkent Yayıncılık Decision dated November 28, 2024, para. 48 (24-50/1134-489); the Board's Mot Grup Decision dated April 24, 2024, para. 96 (24-20/465-195), the Board's Nestle Decision dated February 15, 2024 para. 253 (24-08/149-61).

⁶ The Decision, para. 65, 92 and para 124.



towards RPM practices,⁷ and (iii) the Board's reliance on digital evidence obtained through on-site inspections to establish violations of competition law.

II. Background

In mid-2022, the Board launched a preliminary investigation to assess whether Canon Eurasia engaged in RPM practices in violation of Article 4. Canon Eurasia is the Turkish subsidiary of Canon, a leading Japanese manufacturer of optical and imaging equipment, including photocopiers, printers, cameras and operates as the supplier/importer, overseeing the distribution of Canon products. Within the scope of the preliminary investigation, the Board carried out on-site inspections at Canon Eurasia and its distributors⁸ on April 6, 2023. On May 11, 2023, the Board launched a full-fledged investigation (23-21/411-M).

From the on-site inspections, the Board discovered extensive digital communications (WhatsApp messages, e-

mail correspondences, and internal communications) that became central to the case. This decision fits a broader pattern of strict RPM enforcement and underlines the Board's growing reliance on digital evidence obtained from on-site inspections.

In sum, the Decision concluded that the findings showed that:

i. Canon Eurasia confronted/warned resellers directly about their (online) resale prices,⁹ prompting them to adjust prices upwards,

ii. Canon Eurasia tied sales supports and bonus payments (via distributors) to downstream pricing conduct, thereby disciplining resellers directly,¹⁰

iii. Canon Eurasia enforced a policy that prevented resellers in its distribution network from undercutting the distributors price levels, thereby maintaining a *de facto* price floor at or above the main distributor's level,¹¹

iv. Canon Eurasia monitored the pricing of large retailers and distributors, and intervened through warnings or adjustments, sometimes by cutting support payments, to discipline deviations.¹²

Collectively, the Board was of the opinion that findings demonstrated Canon Eurasia's systematic interference with reseller pricing and as such formed the cornerstone of the Board's infringement decision.

The Board held an oral hearing on June 4, 2024 and rendered its Decision by majority

⁷ According to the Competition Authority's official website, several resale price maintenance cases have been concluded in the last 10 months. Cases wherein administrative monetary fines were imposed are the following: (i) the Board's Kozmetik Decision (March 13, 2025, 25-10/238-123), (ii) the Board's Kadioğlu Kırtasiye Decision (December 27, 2024, 24-56/1246-534) (iii) the Board's Hamzaoğlu Kimya Decision (August 1, 2024, 24-32/757-318), (iv) the Board's Başkent Ankara Yayıncılık Decision (November 28, 2024, 24-50/1134-489) and the Board's Saçhane Decision (April 24, 2024, 24-20/465-195).

⁸ The relevant distributors are Penta Teknoloji Ürünleri Dağıtım Ticaret A.Ş. ("Penta"), Despec Bilgisayar Pazarlama ve Ticaret A.Ş. ("Despec"), İndeks Bilgisayar Sistemleri Mühendislik Sanayi ve Ticaret AŞ ("İndeks") and Kadioğlu Kırtasiye Pazarlama Ticaret A.Ş. ("Kadioğlu").

⁹ The Decision, para. 52 and 56.

¹⁰ The Decision, para. 82-83.

¹¹ The Decision, para. 114.

¹² The Decision, para. 126.



vote on June 12, 2024, finding that Canon Eurasia fixed resale prices and thus infringed Article 4. The Board's line of reasoning was that, since RPM constitutes a by-object restriction, the case did not require an effects analysis.¹³

III. Findings

A notable aspect of this investigation is the rich body of evidence collected during the on-site inspections at Canon Eurasia and its distributors. On April 6, 2023, the case handlers inspected Canon Eurasia's Istanbul offices as well as those of several key distributors. They seized hard drives, examined phones and computers, and recovered digital communications that the Board accepted as illustrative and evidentiary for how Canon Eurasia engaged with resellers on pricing:

In this regard, Finding-1 relates to a WhatsApp correspondence between a Canon Eurasia sales manager and an external reseller called MS E.C.S. Elektronik Sistemleri Sanayi ve Ticaret Ltd. Şti. ("*MS ECS*"). A Canon Eurasia employee flagged "different" prices on the reseller's website, told the reseller to pay attention and added that "as long as the prices are normal, there is no problem" thereby indicating that Canon Eurasia had defined a benchmark level of "normal prices."¹⁴ The reseller responded by stating "let's fix them", which the Board interpreted as evidence that resellers adjusted their retail prices upwards following Canon's intervention.¹⁵ The phrase "we had talked about this before, you know" further showed that Canon contacted resellers who set divergent

prices and warned them to align with Canon's expectations.¹⁶

Within the scope of this finding, the Board found that Canon Eurasia monitored resellers' online prices and directly intervened when it detected deviations from its instructed prices; warning the reseller to comply, after which the reseller pledged to correct its prices and even felt compelled to justify lower prices by attributing them to platform-driven "shopping cart discounts"¹⁷ The Board considered this correspondence particularly significant as it demonstrated Canon Eurasia's direct intervention at the retail level: by defining a "normal price" benchmark and requiring resellers to align their prices with this benchmark.

In addition, the Board assessed from the information provided within the scope of this finding that Canon Eurasia determined the amount, scope, and allocation of sales support and bonus payments, with distributors acting merely as intermediaries who passed on the support but did not set its terms. These payments were invoiced back to Canon Eurasia and tied to performance targets, rebate schemes, or project-based support programs administered directly by Canon Eurasia. In several instances, Canon Eurasia was reported to caution resellers not to lower prices below a certain level, threatening to suspend supply if such undercutting occurred, illustrating that sales support was used as a lever to regulate downstream pricing. Although distributors occasionally provided their own independent support to resellers, the Board found that Canon Eurasia retained decisive control over the main support mechanisms, thereby

¹³ The Decision, para. 65, 92 and para 124.

¹⁴ The Decision, para. 51 and 53.

¹⁵ The Decision, para. 51.

¹⁶ The Decision, para. 52.

¹⁷ The Decision, para. 52.



positioning itself as the effective provider in the vertical chain. Although Canon did not have a direct contractual relationship with resellers, the Board concluded that this mechanism enabled Canon Eurasia to discipline resellers indirectly by making the continuation of financial support contingent on their pricing conduct. In this way, Canon Eurasia was able to influence a key parameter of the downstream trade relationship, resale prices, through its control over support payments.¹⁸

The Board assessed these findings as evidence of a direct RPM¹⁹ since Canon Eurasia explicitly “warned” a reseller to increase its prices, using the prospect of financial incentives as a leverage and the reseller explicitly agreed to comply, even stating willingness to halt sales if needed to avoid price erosion.²⁰ This one-on-one communication, essentially an agreement on price levels, formed the cornerstone of the findings in the Board’s assessment of RPM.

Finding-2 concerns a Microsoft Teams correspondence on May 13, 2020 between two Canon Eurasia employees. In this internal discussion, Canon Eurasia personnel express dissatisfaction with the resale price levels of a reseller, later identified in Canon Eurasia’s first written defence as Ocak Elektronik ve Sanayi Ürünleri Pazarlama Ltd. Şti. (“**Ocak Elektronik**”). They debate how the reseller could be warned, noting that the reseller had been offering Canon-branded products at prices lower than the distributor, İndeks. The Board read this as evidence that Canon treated İndeks’s prices as a reference point and intended to prevent other resellers from undercutting that level.

Canon argued that (i) the correspondence was merely internal and never conveyed to Ocak Elektronik, (ii) Ocak was not an authorized reseller and there was no contractual relationship, and that (iii) the exchange related to support payments rather than price fixing. The Board rejected these arguments, emphasizing that Article 4 of Law No. 4054 applies even absent a direct supplier–reseller contract, and that internal communications can constitute evidence if they reveal the material facts.²¹ Assessing the content, the Board found that the exchange concerned the reseller’s final retail prices, reflected Canon Eurasia’s plan/resolve to warn and discipline resellers deviating from the İndeks price reference, and thus demonstrated interference with resale pricing. It further noted that Canon reduced Ocak Elektronik’s support payments by half to curb undercutting, showing that support mechanism was used as leverage to discipline pricing conduct.²²

Finding-4 concerns Canon Eurasia’s retail-level price intervention documented in a WhatsApp exchange between a C-CRM field representative (acting for Canon Eurasia in customer relations/promotions) and a Canon employee about printer models E414 and G3411. The Board deemed that Canon Eurasia tracked whether price increases were implemented both in stores and online and intervened to ensure upward adjustments were made.²³ In this exchange, the Canon Eurasia employee stated “we had the E414 and G3411 prices raised today” and then tracks whether the increases are reflected on the shop floor (e.g., “E414 has not yet appeared at Vatan”), after which a follow-

¹⁸ The Decision, para. 58-62.

¹⁹ The Decision, para. 102.

²⁰ The Decision, para. 52, 53, 62, 63 and 90.

²¹ The Decision, para. 73.

²² The Decision, para. 72.

²³ The Decision para. 76-78.



up message reports, “Vatan’s prices have been reflected on the labels” The thread includes photos from MediaMarkt and Vatan, evidencing Canon Eurasia’s monitoring and verification mechanism.

The Board found that this went beyond mere monitoring and the phrase “we had the prices raised” shows active intervention and a control system to ensure that retailers aligned with Canon Eurasia’s desired levels. Canon Eurasia’s explanation that C-CRM merely observed market prices and that messages spanned several days did not alter the assessment. Taken together, the Board concluded these communications demonstrated that Canon Eurasia intervened in and enforced resale prices at the retail level, not only through distributors but also directly with electronics retailers.

Lastly, in Finding 5, the Board relied on internal distributor communications as a central piece of evidence.²⁴ In the distributors internal correspondence, Penta employees explicitly referred to “intervention” noting that “especially in recent times, there has been interference by Canon Eurasia in the rebates granted to us and in the prices we will offer to resellers”.²⁵ The e-mail also attached a table (believed to have been provided by Canon Eurasia) that included a “profitability” column, which the Board interpreted as evidence that Canon Eurasia influenced the distributor’s margins.²⁶ Taken together, the Board concluded that these communications showed that Canon Eurasia interfered in distributor prices, rebates, and discount levels, and effectively constrained Penta’s profit margin by insisting on higher resale prices

(thereby limiting the rebates Penta could extend to resellers). Assessing the evidence as a whole, the Board emphasized that the statement was not confined to the specific transaction at hand but reflected Penta’s broader perception that Canon’s conduct towards distributor resale prices and discount practices was interventionist. On this basis, the Board concluded that Finding-5 provided direct proof of a broader policy whereby Canon interfered with distributors’ resale strategies, including prices, margins, and support levels, and used distributors as vehicles to implement RPM practices.

IV. The Board’s Assessment in relation to the Block Exemption Communiqué on Vertical Agreements

Under Article 4 of Law No. 4054, agreements and concerted practices between undertakings, as well as decisions and practices of associations of undertakings, are unlawful if their object, effect, or likely effect is to prevent, distort, or restrict competition directly or indirectly in a particular market for goods or services. The provision is drafted broadly and captures both coordination among competitors and restraints between non-competitors at different levels of the supply chain. Article 4(1)(a) lists, as illustrative examples of prohibited conduct, fixing the purchase or sale price of goods or services, the price-forming elements such as cost and profit, and any conditions of purchase or sale.

In the Canon Eurasia case, the Board treated the relationship between Canon Eurasia (as the supplier) and the resellers in the retail channel as vertical, consistent with Article 2 of the Block Exemption Communiqué on Vertical Agreements (“*Communiqué No. 2002/2*”), which

²⁴ Finding-5 of the Decision.

²⁵ The Decision, para. 86-88.

²⁶ The Decision, para. 85.



defines vertical agreements as those concluded between undertakings operating at different levels of the production or distribution chain. RPM, whether implemented, directly or indirectly, is therefore assessed as a vertical restraint under Article 4.

As such, the Board first examined whether the agreement could benefit from the block exemption under the Communiqué No. 2002/2. However, under Article 4 of the Communiqué, minimum or fixed resale prices are classified as hardcore restrictions, meaning that vertical agreements containing such provisions cannot benefit from the block exemption. By contrast, maximum or recommended prices are permissible only insofar as they do not, through pressure or incentives, effectively turn into minimum or fixed prices.²⁷ The reference to pressure and incentives arises first in the context of the block exemption test, since it distinguishes between lawful recommendations and disguised RPM that count as hardcore restrictions. However, this distinction is also relevant in the violation assessment: once direct RPM is clearly proven, the element of pressure or incentives is not required to establish the violation, whereas for indirect RPM it becomes the key criterion to determine whether a recommendation in fact operates as a fixed or minimum price. In this sense, the concept matters both in the exemption analysis and the substantive assessment. The Board applying the same reasoning in the block exemption analysis (hardcore restrictions under Communiqué No. 2002/2) and in its by object assessment under Article 4 of Law No. 4054 reflects its treatment of these concepts as effectively identical in Turkish practice. It

is noteworthy, however, that under EU law which is reflected in the Super Bock judgment,²⁸ the classification of RPM as a hardcore restriction under the Vertical Block Exemption Regulation does not automatically mean that it is a restriction by object under Article 101(1) TFEU. In this sense, the Board's approach appears more formalistic, especially considering its reference to the Binon case²⁹ and its treatment of hardcore restrictions and by-object infringements as essentially overlapping, whereas EU law now insists on keeping these concepts analytically distinct. In Canon Eurasia's case, the Board found evidence of both direct intervention and pressure through financial incentives, noting that Canon determined the allocation of support payments and withdrew them from non-complying resellers as a sanction stating that "*Canon determined the amount of financial incentives and to whom they would be given and as such resellers that would not comply, faced withdrawals in financial incentives as a sanction. Thus, the element of pressure is established in this case*".³⁰ Accordingly, the Board decided that both Canon Eurasia's direct and indirect RPM practices fall outside the scope of the block exemption under Communiqué No. 2002/2.

Thereafter, the Board addressed the possibility of individual exemption under Article 5 of Law No. 4054. When examined in the context of individual exemption, the Guidelines on Vertical Agreements note in paragraph 8 that the very purpose of imposing minimum resale prices in vertical agreements is, at first

²⁷ See The Decision, para. 47.

²⁸ C-211/22, Super Bock Bebidas SA, AN, BQ v Autoridade da Concorrência, on June 23, 2023; Case C-67/13

²⁹ Case C-243/83, Binon v AMP

³⁰ The Decision, para. 93.



glance, clearly aimed to restrict competition. Paragraph 9 of the same Guidelines on Vertical Agreements further provides that, once an agreement is found to infringe Article 4 by object, there is no need to assess its actual or potential effects in the market; any effects assessment is relevant only for determining the gravity of the infringement and the level of the administrative fine.³¹ Building on this reasoning, the Board concluded that resale price maintenance cannot normally benefit from individual exemption under Article 5 of Law No. 4054, since such conduct is, save for exceptional circumstances, incapable of satisfying the cumulative conditions required for exemption. Both Turkish and EU competition law recognize RPM as a serious vertical restriction, and the Board has repeatedly held that the restrictive object alone suffices to establish an infringement. Given that price competition is the central mechanism for market efficiency and consumer welfare, restricting intra-brand price competition through RPM is deemed inherently harmful to consumers and therefore ineligible for exemption. Therefore, the Board decided that RPM cannot benefit from either the block exemption or an individual exemption under Article 5.

Lastly, the Board emphasizes that both the Commission and the courts take a strict stance against RPM. The Commission has consistently imposed fines on undertakings found to impose resale prices, treating such conduct as a restriction by object under Article 101 TFEU. The Board added that court rulings similarly emphasize that minimum or fixed resale prices prevent dealers from setting prices independently, thereby restricting competition by object, that under EU law following the Super

Bock (C-211/22) judgment, the classification of RPM as a hardcore restriction under the Vertical Block Exemption Regulation does not automatically mean that it is a restriction by object under Article 101(1) TFEU. The Court of Justice clarified that while RPM is normally considered highly harmful, authorities must still assess the content, objectives, and economic/legal context of the practice before designating it as a by-object infringement. In this sense, the Board's approach appears more formalistic, especially considering its reference to the Binon case and its treatment of hardcore restrictions and by-object infringements as essentially overlapping, whereas EU law now insists on keeping these concepts analytically distinct.

The Board's Assessment of Canon Eurasia's Conduct in terms of Article 4 of Law No. 4054:

Based on the information and documents obtained during the on-site inspections, the Board concluded that Canon Eurasia's systematic monitoring and warning of resellers who sold below the designated level, and requiring them to raise their prices, amounted to direct intervention in resale pricing.³² The Board underlined that Canon Eurasia intervened when prices fell below its preferred level, used threats and reductions in financial support to discipline resellers, and thereby exerted pressure to ensure compliance. By exercising discretionary control over rebates, Canon Eurasia created economic pressure on resellers and induced them to align their prices with its expectations. These measures revealed a deliberate and

³¹ The Decision, para. 47.

³² Finding-1 of the Decision and the Decision para. 53.



ongoing strategy to control resale prices. Since the Board deemed RPM a restriction by object, the Board held that no effects analysis was necessary to establish the violation.³³⁻³⁴ In other words, where an agreement is found to infringe Article 4 by its object, there is no need to examine its actual or potential effects on the market, effects may only be assessed for the purpose of determining the gravity of the infringement when setting the fine.

The Board emphasizes in the Decision that both the Commission and the courts take a strict stance against RPM. The Board holds that the Commission has consistently imposed fines on undertakings found to impose resale prices, treating such conduct as a restriction by object under Article 101 TFEU. Within this framework, the Board underscored that instructions to resellers to align resale prices are, by their very purpose and nature, aimed at suppressing price competition, and this intent is sufficient to establish a violation of Article 4 of Law No. 4054. In its evaluation of the findings, the Board drew parallels to various case law, such as its earlier *Philips*

Decision³⁵ where a supplier contacted a retailer about low prices and threatened to remove products from the retailer's platform unless prices were raised and the Board found that this conduct alone was sufficient to establish RPM. From this decision, the Board emphasized that the very act of the supplier intervening was enough to evidence a restriction, and it is not obligatory to prove that prices were adhered to after the intervention as the intervention was enough to evidence the intent.³⁶

In this regard, the Decision also quoted principles from EU case law, stressing that certain collusive practices, including RPM, carry such a high inherent potential to distort prices, reduce consumer choice, and impair quality that it is "unnecessary to demonstrate their actual effects in the market" as they are considered infringements by object.³⁷ However, we must note that even though the Commission considers RPM practices to be violations "by object" which remains the prevailing norm in the EU and Member State precedents, the Court of Justice has stated in its *Super Bock* decision that a restriction is "by object" only if, given the content, objectives, and legal/economic context of the agreement, it reveals a sufficient degree of harm inherently to competition. In other words, the Court of Justice clarified that while RPM is normally considered highly harmful, authorities must still assess the content, objectives, and economic/legal context of the practice before designating it as a by-object infringement. This nuance signals that, while RPM is still generally treated as

³³ The Decision, para. 92.

³⁴ The Board also referred to *Doğuş Otomotiv* (October 5, 2001, 01-4, 483-120) and *Anadolu Elektronik* (June 23, 2011, 11-39-838-262) decisions, holding that RPM requires no further analysis and must be directly sanctioned as per Article 4 of Law No. 4054. Also, recent decisions (*Sony* (November 22, 2018 (18-44/703-345), *Turkcell* (January 10, 2019, 19-03/23-10, November 12, 2019, 19-39/610-263), *Bellona* (March 26, 2020, 20-16/231-112), *Groupe SEB* March 04, 2021 21-11/154-63), *Baymak* (March 26 2020, 20-16/232-113)) confirm that RPM constitutes an infringement by object regardless of its actual market effects. The Council of State (13th Chamber) has also reinforced this strict approach, ruling that the mere existence of evidence showing interference with resale prices is sufficient to establish an infringement

³⁵ The Board's Decision dated August 5, 2021, (21-37/524-258), para. 125.

³⁶ The Decision, para. 101.

³⁷ The Decision, para. 47.



a serious restriction in EU law, it is not automatically presumed to be a by-object infringement simply because it is a hardcore restriction.³⁸ The Board, however follows a more formalistic approach and to reinforce its reasoning, it cited several of its past RPM cases, where it had concluded that RPM is inherently harmful and therefore unlawful, regardless of the measurable effects of the practice.³⁹

In light of the above, the Board concluded that Canon had engaged in RPM practices and infringed Article 4 of Law No. 4054.

V. Conclusion

The Canon Eurasia decision stands out as a significant decision in Türkiye's competition law landscape for vertical agreements. The Decision emphasized the Authority's zero-tolerance policy towards RPM.

Further, the Decision underlined that in RPM cases, the assessment is centred on the purpose of the conduct rather than its actual or potential consequences in the market. Once the documentary evidence demonstrates that the company had intervened in its resellers' pricing, the

infringement is deemed complete, irrespective of whether Canon Eurasia achieved uniform price levels across all distribution channels. This reflects the Board's consistent position that the existence of interference itself is sufficient to establish a violation.

The Board's detailed analysis on digital communications (WhatsApp messages, e-mail correspondences, and internal communications) seized during on-site inspections showcase the Authority's ability to adapt its investigative techniques to the digital age.

Finally, the Decision demonstrates that both direct instructions to increase resale prices and indirect mechanisms, such as controlling rebates, tying financial incentives or conditioning supply terms, fall within the scope of Article 4 of Law No. 4054. The Board made it clear that while an explicit order to raise prices is a blatant violation, more subtle practices that effectively discipline resellers' pricing autonomy are treated no differently.

*Turkish Competition Board Clears GT Global's Acquisition of Ideasoftware with Behavioural Commitments*⁴⁰

I. Introduction

On July 22, 2025, Turkish Competition Authority ("**Authority**") published the Turkish Competition Board's ("**Board**")

³⁸ C-211/22, Super Bock Bebedas SA, AN, BQ v Autoridade da Concorrência, on June 23, 2023; Case C-67/13 P, Groupement des Cartes Bancaires (CB) v Commission, on September 11, 2014; C-228/18, Gazdasági Versenyhivatal v Budapest Bank Nyrt., on April 2, 2020.

³⁹ See the Board's Decision dated November 22, 2018 (18-44/703-345); the Board's Decision dated January 10, 2019, (19-03/23-10); The Board's Decision dated November 12, 2019 (19-39/610-263); The Board's Decision dated March 4, 2021 (21-11/154-63); The Board's Decision dated March 26, 2020 (20-16/232-113); The Board's Decision dated March 12, 2020 (20-14/192-98); The Board's Decision dated April 15, 2021 (21-22/267-117); The Board's Decision dated November 10, 2022 (22-51/754-313).

⁴⁰ This article first appeared in Mondaq as "*Turkish Competition Board Clears GT Global's Acquisition of Ideasoftware with Behavioural Commitments*" (<https://www.mondaq.com/turkey/antitrust-eu-competition/1671854/turkish-competition-board-clears-gt-globals-acquisition-of-ideasoftware-with-behavioural-commitments>) (accessed on October 24, 2025).



reasoned decision⁴¹ (“**Decision**”) concerning the acquisition of sole control over Ideasoftware Yazılım Sanayi ve Ticaret AŞ (“**Ideasoftware**”) by Turgut Nezh Sipahioğlu (“**Sipahioğlu**”) through GT Global Danışmanlık A.Ş. (“**GT Global**”) (together with Ideasoftware, “**the Parties**”) (“**Transaction**”). The Board found that the Transaction may significantly impede effective competition within the meaning of Article 7 of the Law No. 4054 on Protection of Competition (“**Law No. 4054**”), but ultimately conditionally cleared the Transaction subject to the behavioural commitments submitted by GT Global. The decision stands out for providing the Board’s detailed analysis of conglomerate effects in connection with the Transaction, as well as its assessment of the behavioural commitments submitted by GT Global.

II. The Structure of the Transaction and Transaction Parties

The Transaction involved the acquisition of sole control over Ideasoftware by GT Global.⁴² The transaction was notified to the Authority on 25 February 2025. During the Authority’s Phase I review, several third-party payment service providers submitted their objections, while GT Global provided the Board with a set of

commitments on 10 April 2024 in an effort to secure approval.

The objections submitted alleged that that the Transaction may restrict competition through market foreclosure, discrimination and data-based concerns in the market, therefore suggesting that the Transaction should not be cleared by the Authority. Following these objections, the Authority sought the views of other payment service providers regarding the Transaction. Some providers expressed support for the concerns outlined above, while others indicated that the businesses within payment service and e-commerce software provider groups can easily operate in the market together and the Transaction will stimulate competition by encouraging other players to offer better services. Moreover, the Authority requested opinions of various market players, including Ideasoftware’s competitors and its five major current customers to whom Ideasoftware provides services, in order to thoroughly evaluate the Transaction.

The Decision notes that GT Global, which is wholly owned and solely controlled by Sipahioğlu, was established in 2024 for the purpose of potential company acquisitions and investments and currently has no activities. On the other hand, it is stated that Sipahioğlu, a natural person, operates in (i) the development of end-to-end financial technology infrastructure, (ii) establishment of company and management of business process both in Türkiye and globally, (iii) long-term operational vehicle leasing services for corporate clients, (iv) establishment of company, tax consultancy, residence permit and citizenship procedures abroad and (v) provision of digital wallet, virtual POS, physical POS and various payment services, through the undertakings controlled by him. Moreover, it is stated

⁴¹The Board’s *Ideasoftware/GT Global* decision dated 10.04.2025 and numbered 25-14/336-158.

⁴² The Decision indicates that Ideasoftware, through its wholly owned subsidiary Idea Teknoloji Yatırımları A.Ş. solely controls Kargonomi Kargo Aracılık Hizmetleri A.Ş. and jointly controls Sopyo Yazılım Sanayi ve Ticaret A.Ş. Following the consummation of the Transaction the sole control of Idea Teknoloji Yatırımları A.Ş. and Kargonomi Kargo Aracılık Hizmetleri A.Ş. and joint control of Sopyo Yazılım Sanayi ve Ticaret A.Ş. is planned to be indirectly acquired by Sipahioğlu.



that one of the undertakings controlled by Sipahioğlu, namely Sipay, provides digital wallet, virtual POS, physical POS and various payment services.

On the other hand, Ideasoftware provides e-commerce software and infrastructure services to micro, small and medium-scale businesses. While it is indicated that Ideasoftware mainly focuses on services enabling businesses to conduct sales through their own e-commerce websites, Ideasoftware also offers additional services such as marketplace integration, support for e-export processes, virtual POS services and logistic solutions.

III. The Board's Assessment of the Transaction

Based on the above, the Board determined that Ideasoftware is active in the ready-made e-commerce software and infrastructure services sector, which includes the two main categories of open-source e-commerce infrastructure solutions and ready-made e-commerce infrastructure solutions. To provide further insight into the matter, the Board set apart open-source and ready-made e-commerce infrastructure solutions by explaining that ready-made infrastructure solutions provide companies seeking to operate in e-commerce with comprehensive, turnkey services, whereas open-source solutions are defined as software solutions offered by platforms such as WooCommerce and OpenCart, providing users with a high level of flexibility.

The Board also noted that, for the purposes of the Transaction, the relevant market assessment should address the substitutability between open-source e-commerce infrastructure services and ready-made e-commerce infrastructure services. As part of its assessment, the

Board sought the views of certain sector players, the majority of whom stated that there are aspects in which ready-made e-commerce software and infrastructure services differ from open-source e-commerce software and infrastructure services, and that these two types of services cannot be regarded as substitutes.

Consequently, the Board determined that although the relevant product market could be broadly defined as “*e-commerce software and infrastructure service*”, given that this market essentially separates into sub-segments that differ in various respects (*i.e.* open-source solutions and ready-made solutions) and that the core business model of the Target consists of the ready-made infrastructure provision services, the Board defined the relevant product market as “*ready-made e-commerce software and infrastructure provision services*”. In terms of relevant geographical market, the Board determined the relevant geographical market for the relevant market as “*borders of the Republic of Türkiye*” taking into consideration that the Target operates exclusively within Türkiye and its activities are not limited to any specific region.

Accordingly, the Board indicated that the activities of the parties do not overlap within the same product market and consequently, the Board concluded that the Transaction would not lead to any horizontal overlap in Türkiye.

As already noted above, Ideasoftware enables payment service providers to be integrated with Ideasoftware infrastructure service to facilitate payment collection from consumers through e-commerce websites. Having said that, the Board placed emphasis on the fact that one of the undertakings controlled by Sipahioğlu, namely Sipay, provides digital wallet,



virtual POS, physical POS and various payment services, and is already included among the payment institutions with which Ideasoftware has established integration. Therefore, based on the relationship between payment service providers and e-commerce software and infrastructure service providers, it was determined that complementarity between the activities of Sipay and Ideasoftware requires a further assessment, as to whether Sipay's position in the payment services market could be strengthened by leveraging Ideasoftware's position in the e-commerce software and infrastructure services market, and whether such strengthening may give rise to conglomerate effects restricting competition in the payment services market. Consequently, the Board assessed that it would be necessary to assess the possibility of any conglomerate effects in the payment services market.

Regarding the unilateral effects resulting in market foreclosure, the Board stated that, following the consummation of the Transaction, the competitor payment service providers could face the complete elimination or restriction of their access to Ideasoftware's e-commerce software and infrastructure, or be granted access only under less favourable conditions. In order to examine the anti-competitive effects of the overlap arising from the services provided by Ideasoftware and Sipay, the Authority examined the structure and size of the e-commerce software and infrastructure services market by referring to the market shares of Ideasoftware and its competitors, in terms of number of customers in the (i) total e-commerce software and infrastructure services market that contains both ready-made and open-source infrastructure providers, and (ii) the narrower market defined as "ready-made e-commerce software and infrastructure

market", in which Ideasoftware operates. Consequently, it was observed that in case of a narrower market definition Ideasoftware is listed among significant players in the market. However, it was noted that integration services provided by Ideasoftware are offered as an option and businesses are able to choose one of the options. In terms of businesses using Ideasoftware's infrastructure, it was observed that (i) banks and payment service providers were listed alphabetically on the payment screen, (ii) Ideasoftware customers are able to choose any of these integrated banks and payment service providers to receive these services, (iii) businesses determine commission rates and working conditions in accordance with their agreements with the bank without the involvement of Ideasoftware, and (iv) Ideasoftware has been found to implement virtual POS integrations for all banks holding a banking license without charging any fixed fees to transaction-based commissions.

However, the Authority noted that it was not possible for businesses to receive services through Ideasoftware, from payment providers other than those integrated by Ideasoftware and objection letters filed to the Authority's records also emphasised that customers become locked in to Ideasoftware once they obtain its infrastructure services. Accordingly, it was assessed that in case Ideasoftware uses its market power in e-commerce software and infrastructure services to favour Sipay, it may put Sipay into an advantageous position against its competitors.

To further review the matter, the Authority identified market shares and competitive conditions of the players in the market for payment services and sought the opinions of e-commerce infrastructure providers. The Authority determined that market for payment services has a dynamic and



fragmented structure and encompasses variety of competitors, in parallel with the evaluations held in the Board's decision dated 4.04.2024 and numbered 24-16/370-140.

Additionally, the Board evaluated the potential effects that could result from Sipay's access to the competitively sensitive data of competitor payment service providers through Ideasoftware, following the acquisition, since undertakings active in the e-commerce software and infrastructure services market have access to various competitively sensitive data of the payment service providers with which they are integrated. Consequently, the Board concluded that the Transaction would significantly impede effective competition in the market.

IV. The Board's Assessment in terms of the Behavioural Remedies

To eliminate competitive concerns as a result of the transaction – particularly the risk of market foreclosure and concerns arising from data sharing – GT Global submitted a set of behavioural remedies designed to ensure that both the current payment institutions receiving services from Ideasoftware and potential payment institutions seeking to do so would continue obtaining services from Ideasoftware under market conditions and that no trade secrets or competitively sensitive data of electronic money and payment institutions shall be shared between Ideasoftware and Sipay under any circumstances. Accordingly, Ideasoftware, among others, undertook the following commitments, for two years following the closing of the Transaction, which can be extended for an additional two years, upon the request of the Authority:

Anti-competitive concerns:

- Ideasoftware will not engage in practices that may restrict the entry of electronic money and payment institutions and will continue to provide fair access under market conditions;
- Existing contracts with payment institutions will not be terminated prematurely, except in cases of breach or unilateral termination by the customer;
- Potential customers will be offered services under materially identical conditions set for the existing customers;
- SIPAY's competitors will not be subjected to less favourable conditions, including in relation to pricing, integration requirements, ranking and transparency policies.

Data protection and confidentiality commitments:

- Ideasoftware and Sipay will remain separate legal entities with independent databases.
- No trade secrets or competitively sensitive data of payment institutions will be shared between Ideasoftware and Sipay.
- Relevant employees and board members will sign confidentiality agreements, and lists and sample agreements will be submitted to the Authority within the specified time frame.
- Access matrices will be prepared, and access logs will be securely stored for two years.



- Information technology audits will be conducted to strengthen data security, and action plans and interim reports will be submitted to the Authority.

Commitments on reporting and monitoring:

- Comprehensive IT audits will be conducted within the first year following closing, and the results will be submitted to the Board.
- Semi-annual interim reports will be submitted to the Authority during the first year, followed by annual compliance reports thereafter.

The Board concluded that these behavioural commitments submitted by GT Global were sufficient to eliminate the anti-competitive concerns and conditionally approved the transaction subject to the commitments as a result of its Phase I review.

V. Conclusion

The Decision offers valuable insight into the Authority's approach to digital ecosystems, by defining ready-made e-commerce software and infrastructure services as a distinct market and examining the conglomerate effects of the Transaction, particularly the risks of leveraging data-driven advantages. The Decision also demonstrates that the Board is open to accepting behavioural commitments to address such concerns, rather than insisting solely on structural remedies, and that carefully designed behavioural commitments may sufficiently mitigate foreclosure and information-sharing risks, thereby ensuring both legal certainty for undertakings and the preservation of competitive market structures.

Turkish Competition Board Conditionally Approved the Acquisition of Civitanavi by Honeywell Subject to Behavioural Commitments Addressing Input Foreclosure Risk⁴³

I. Introduction

This article summarizes the Turkish Competition Board's ("**Board**") Honeywell/Civitanavi decision ("**Decision**")⁴⁴ where the Board established jurisdiction over the transaction concerning the acquisition of sole control over Civitanavi Systems SPA ("**Civitanavi**"), which is solely controlled by Civitanavi Systems Limited, by Honeywell International Inc. ("**Honeywell**") through its solely controlled subsidiary Honeywell SRL. The transaction was notified to the Turkish Competition Authority (the "**Authority**") on April 19, 2024, and the Board conditionally approved the transaction within the scope of its Phase I review on August 15, 2024, subject to behavioural commitments submitted.

II. Background and Relevant Product and Geographic Markets

Honeywell is a US-based company that operates as a global supplier, producer and vendor of (i) aerospace technologies, (ii) building automation, (iii) energy and sustainability solutions and (iv) industrial

⁴³ This article first appeared in Concurrences on October 10, 2025 as "The Turkish Competition Authority conditionally approves a merger in the high-end inertial sensors sector subject to behavioural commitments (Honeywell / Civitanavi)" (<https://www.concurrences.com/en/bulletin/news-issues/august-2024/the-turkish-competition-authority-conditionally-approves-a-merger-in-the-high>) (accessed on October 24, 2025).

⁴⁴ The Board's decision dated 15.08.2024 and numbered 24-33/808-342.



automation. Among others, Honeywell sells “high-end inertial sensors and relevant equipment” in Türkiye, which are subject to the U.S. export restrictions, specifically the ITAR (International Traffic in Arms Regulations) license.

Civitanavi is an Italy-based company that operates globally in the design, development, production, and commercialization of inertial sensors, as well as inertial measurement units, across the aviation and defence sectors and industrial sectors. It also provides consulting services to companies in the same sectors.

The Board stated that the parties’ activities horizontally overlap in the broad inertial sensors/system market. This market can be sub-divided into two segments as “high-end” and “low-end” inertial sensors/systems. Civitanavi is only active in high-end inertial sensors/systems, therefore there is no overlap in the market for low-end inertial sensors/system.

The Board also noted that inertial systems can also be examined in five subsegments based on their application degrees and areas of use since there is no substitutability between these segments: namely (i) consumer-grade inertial sensor, (ii) industrial-grade inertial sensors, (iii) tactical-grade inertial sensors, (iv) navigation-grade inertial sensor, and (v) strategic-grade inertial sensor. The Board stated that the relevant product markets can also be sub-segmented and defined as “inertial sensors used in the military/defense/aerospace sectors”, “inertial sensors used in the commercial aircraft and technology development sector”, and “inertial sensors used in the consumer electronics and industrial sectors.”

Accordingly, the Board decided that the relevant product market may be assessed within five distinct market segments based on their application degrees and areas of use. The relevant geographic market was defined to encompass all of Türkiye.

III. The Board’s Substantive Assessment in terms of Horizontal Overlaps in Türkiye

The Board evaluated the horizontal overlaps between the parties’ activities, deepening its assessment on “high-end military inertial sensors market” and “tactical and navigational grade inertial sensors” sub-segments. The Board assessed the parties’ market shares in Türkiye, as well as their global market shares for the broader market (*e.g.*, high-end inertial sensors) along with the sub-segments (*e.g.*, by accuracy levels of inertial sensors used in the defence & space sector), as high-end inertial sensors market was mostly reliant on imports.

The Board stated that, based on their Türkiye market shares, both parties are well-established in the market, and their market shares correspond to one third of the relevant product market, therefore the transaction may lead to increase of concentration in the “high-end military inertial sensors market” and give rise to the possibility of significantly impeding effective competition. Based on the parties’ and competitors’ global market shares, while Honeywell has the highest shares in the relevant product market, there are many undertakings that could create competitive pressure on Honeywell.

The Board also obtained opinions from the competitors and customers during its assessment. Responses generally stated that (i) switching suppliers in the inertial sensors market was costly and difficult, (ii)



Honeywell is one of the key suppliers, (iii) Honeywell's strengthened position may create entry barriers to the market. However, the Board found that the transaction would not lead to significant entry barriers, noting that advanced inertial sensor products do not require the use of a specific technology, and there are various advanced inertial sensor technologies which can be used by manufacturers. The Board also noted that according to the input provided by the stakeholders, so long as there are no obligations to purchase goods exclusively from Turkish companies, the goods will be supplied globally to the national markets. Accordingly, the Board stated that, the fact that the Turkish market is open to global suppliers promotes a competitive environment and supports innovation and access to a wider range of products and technologies for better and competitive prices.

IV. The Board's Assessment of the Behavioural Remedies

The Board noted that following the closing of the transaction, Honeywell will have high market shares in the military/defence markets -particularly in tactical- and navigation-grade inertial sensors- which may lead to input foreclosure and increase input prices for customers in the Turkish defence industry. The Board indicated that Honeywell could terminate supply or production agreements or refuse to enter into contracts for the relevant products due to U.S. export restrictions. The Board also noted that it is costly for customers to switch suppliers in the market, and the duration of their contracts are usually 4-5 years long.

To address these concerns, Honeywell submitted a set of behavioural remedies designed to ensure the continuation of

supply of materials, intermediate goods, subsystems, license rights, and products under existing contracts, the conclusion of new contracts with similar conditions if demanded, the maintenance of Civitanavi's production capability in Italy and capacity increases where necessary, taking into account international export restrictions.

In the behavioural commitments, Honeywell undertook the following commitments for a period of three years: (i) in order to ensure that the production and sales to customers currently in Türkiye will be carried out by Civitanavi, it will continue to supply goods, licence rights and all its products in accordance with Civitanavi's already existing contracts; and it will organise and increase Civitanavi's production capacity and capabilities in Italy, (ii) it will comply with international export restrictions and Turkish competition laws in terms of its pricing policies (avoid excessive pricing and predatory pricing) regarding the contracts in the affected markets, (iii) it will not restrict the use of intellectual property rights and licences in Civitanavi's existing or potential contracts, (iv) Civitanavi's headquarters will remain in Italy to avoid export restrictions for Türkiye, and (v) it will annually report to the Authority the quantity and prices of the inertial measurement unit products sold in Türkiye.

Honeywell also submitted commitments to Italian Council of Ministers, which required that Civitanavi's headquarters and industrial facilities remain in Italy, to continue its R&D activities for national defence needs and ensure that it maintains its standards, patents, titles and technological capacity. It was assessed that these conditions also support the commitments submitted to the Board.



V. Conclusion

The Board evaluated that the foregoing commitments were sufficient to eliminate the input foreclosure concerns and conditionally approved the transaction subject to the commitments as a result of its Phase I review.

The decision demonstrates the perspective of the Board in assessing potential impact of export restrictions and supply dependencies in the markets and constitutes a precedent where behavioural remedies are sufficient to eliminate competition concerns.

Dispute Resolution

The Constitutional Court Rules that New Statutory Regulation is Needed to Remedy Losses Arising from the Depreciation of Receivables

I. Introduction

The liability to indemnify losses that exceed default interest is subject to certain conditions: (i) the existence of a monetary debt that may be subject to default interest, (ii) existence of a loss that cannot be recovered through default interest, due to the debtor's default, (iii) the fault of the debtor (in the occurrence of the default) and, (iv) existence of a causal link between debtor's default and creditor's loss exceeding default interest.

If the conditions set forth for granting loss exceeding default interest are met, the creditor bears the burden of proving the existence of a loss exceeding default interest and that such loss was caused by the debtor's fault, in a tangible and credible manner. However, abstract and hypothetical claims based on factors such as general economic fluctuations in the

economy or declines in currency rates do not relieve the creditor of the burden of proof; the creditor must prove the loss suffered with concrete evidence.

In its decision numbered 2024/41763 and dated 08.07.2025, the Constitutional Court conducted a detailed analysis of the remedies provided and conditions imposed on creditors seeking compensation for losses arising from economic conditions that cannot be remedied solely through default interest.

II. Applicable Law & Background of the Dispute

In the dispute, the Applicant has initiated a lawsuit against a company that had undertaken the obligation to construct a property for the Applicant but failed to fulfil this obligation. The Applicant argued that the value of his receivables had substantially diminished beyond what could be compensated by default interest, and therefore sought compensation for loss exceeding default interest shall be granted.

The court of first instance, however, rejected the lawsuit, stating that compensation for loss exceeding default interest may only be granted where the debtor was at fault for the default.

Upon the objection of the Applicant, the Regional Court of Appeals examined the case and provided that in claims relating to loss exceeding default interest, the plaintiff should substantiate and prove the alleged damage suffered with concrete evidence rather than relying on abstract assertions about the country's economic conditions.

When the dispute was subsequently evaluated by the Court of Cassation upon the Applicant's appeal, the Court of Cassation upheld the decision of the Regional Court of Appeals by emphasizing



that “in accordance with the decision of the General Assembly of Civil Chambers’ decision dated 29.3.2022 the damage arising from loss exceeding default interest must be proven through concrete facts specific to the plaintiff’s situation and beyond general economic adversities (such as the current inflation rate in the country, high and volatile exchange rates, deposit interest rates, and the decline in the purchasing power of the money). High inflation, the increase in the dollar exchange rate, high interest rates in the free market, and the decrease in the purchasing power of money do not relieve the plaintiff of the burden of proof, nor constitute grounds for easing that burden”.

III. The Decision of the Constitutional Court

In its assessment, the Constitutional Court determined that the default interest rates had remained below the inflation rates, and they were not adequate to compensate for the monetary losses the creditors suffer. Accordingly, it found that the Applicant’s receivable, the payment of which had been delayed due to the debtor’s failure to fulfil its monetary obligation in a timely manner, had suffered a loss of value attributable to inflation.

The Constitutional Court further observed that the existing legal mechanism does not effectively provide a remedy for the depreciation in the value caused by inflation and that the established judicial precedents have not evolved toward recognizing creditors’ losses, resulting in a situation where debtors benefit from delaying payments.

The Constitutional Court emphasized that merely rendering a violation judgment in the present application or in other pending applications would neither prevent similar

future applications nor put an end to violations of the same nature. It further stated that, due to the absence of effective legal remedies enabling compensation for losses arising from the depreciation in value of receivables between private parties caused by inflation, there exists a structural problem within the legal system, therefore a clear legislative framework must be enacted to remedy this situation and to establish an effective legal mechanism ensuring compensation for such losses.

To resolve this issue, the Constitutional Court decided that the matter should be notified to the Grand National Assembly of Türkiye for the purpose of resolving the structural issue underlying the violation.

IV. Conclusion

Consequently, the dispute has exposed significant inadequacies within the current legal framework concerning the protection of monetary receivables against inflationary depreciation. The courts examined the Applicant’s claims strictly within the conditions set forth by Article 122 of the TCO and the established principles governing loss exceeding interest, and subsequently they concluded that the necessary conditions for such compensation were not satisfied due to the Applicant’s failure to substantiate concrete, case-specific damage beyond the statutory default interest.

However, the Constitutional Court determined that the statutory interest rates applicable in Turkish law have consistently remained below inflation levels, failing to protect the real value of receivables in circumstances of delayed payment, and further concluded that the existing legal remedies for seeking additional damages



do not provide an effective or realistic remedy to address such losses.

Lastly, the Constitutional Court identified a structural problem within the legal system arising from the absence of a clear and effective mechanism to compensate for the loss in value of receivables due to economic conditions.

This decision marks a pivotal development, underscoring the need for legislative reform to ensure the effective protection of property rights and to provide a practicable legal remedy for the loss of value in monetary claims caused by general economic conditions. It is understood that a new legislative regulation will be enacted in the near future to address and compensate for losses resulting from the depreciation of receivables.

Data Protection Law

The Turkish DPA Clarifies Consent and Transparency in SMS-Based Data Processing

I. Introduction

The Turkish Data Protection Authority (“DPA”) recently published a Principle Decision addressing the increasingly common practice of sending verification codes via SMS during product and service delivery processes. The Principle Decision No. 2025/1072, dated June 10, 2025,⁴⁵ and published in the Official Gazette on June 26, 2025, provides important guidance on how data controllers should approach the processing of personal data through SMS verification systems.

II. Context of the Decision

Organizations in Türkiye have widely adopted SMS verification systems as part of their customer interaction processes. These systems are used for various purposes, such as confirming an online transaction, verifying a customer’s phone number, or finalizing a registration or payment. However, DPA has received several complaints alleging that some data controllers use these verification messages not solely for specific and lawful purposes but also, to obtain invalid consent for marketing activities or the processing of personal data beyond what is necessary for the service.

In many of these cases, individuals are asked to provide their phone numbers during the purchase or registration process. Then, they are required to enter an SMS verification code to proceed. Subsequently, they begin to receive commercial electronic messages promoting the data controller’s goods or services. Complainants have argued that they were not properly informed of this purpose of use and that consent for marketing was effectively embedded in a mandatory transaction step which does not constitute informed and valid consent.

The DPA’s Principle Decision No. 2025/1072 addresses these concerns by demonstrating the legal boundaries of such practices under Law No. 6698 on the Protection of Personal Data (“the Law”). The decision emphasizes the importance of transparency obligations, the separation of processing purposes, and freely given, specific, informed consent in all data processing activities involving SMS verification mechanisms.

The DPA’s reasoning in the decision is based on certain specific principles which

⁴⁵ <https://kvkk.gov.tr/Icerik/8338/2025-1072>



are important for processing personal data legally in Türkiye.

III. Transparency

The DPA reiterates that individuals need to be clearly informed about the purpose of the verification code, the reason for requesting their contact information, and the potential consequences of providing the code. This information obligation originates from Article 10 of the Law and serves to ensure that individuals can make informed decisions about their personal data. Failure to provide such information is against the law and undermines the requirement of informed consent.

IV. Purpose Limitation

The main point emphasized in the decision is the prohibition of combining multiple processing purposes, such as purchase approval, obtaining consent for the processing of personal data, and obtaining consent for marketing communications, into a single action, such as entering an SMS code. The DPA emphasizes that each processing purpose requires a separate legal basis and that in consent-based situations, separate and explicit consent must be obtained for each activity.

V. Explicit Consent

The DPA reminds that, pursuant to Articles 3/1/a and 5/1 of the Law, explicit consent must be specific, informed, and freely given. If an organization presents consent as a mandatory step to complete a transaction, such consent cannot be considered “freely given”. Therefore, the decision annuls consent obtained through deceptive or coercive mechanisms and reinforces the requirement that individuals have a genuine choice.

VI. The Requirement of Consent for Marketing

Another important clarification relates to the difference between processing which is necessary to provide a product or service and processing for marketing purposes. The DPA explicitly states that consent given for commercial communications cannot be presented as a condition for completing a transaction or accessing a service. Data controllers must take proper technical measures to ensure that individuals refusing to consent to marketing contact can complete their purchase or registration without restriction.

VII. Liability, Implications and Comparative Perspective

Lastly, the DPA warns that data controllers failing to comply with these principles will be subject to administrative sanctions under Article 18 of the Law, including fines and other corrective measures.

Principle Decision No. 2025/1072 is part of a consistent trend of interpretation aimed at bringing the Turkish DPA’s internal data protection practices into line with broader European standards.

From a comparative perspective, this decision closely reflects the approach of the EU General Data Protection Regulation (GDPR), which defines the conditions for valid consent, particularly Article 7 and Recital 42. The European Data Protection Board (EDPB) has also consistently emphasized that consent obtained under economic or practical pressure or through manipulative interface designs does not meet the condition of being “freely given”. In this sense, the Turkish DPA’s stance demonstrates an alignment with the EU’s best practices and strengthens the principle of data subject autonomy.



Additionally, this decision reflects growing regulatory awareness of “dark patterns”, which are deceptive design strategies that lead users to consent to unnecessary data processing. By requiring clear and separate consent mechanisms for each purpose, the DPA aims to counter such manipulative practices and promote more transparent user interactions in digital services.

Finally, the decision contributes to the broader alignment of Turkish data protection law with European standards and reflects an evolving regulatory philosophy that places user autonomy and informed choice at the centre of lawful data processing.

Internet Law

First Criminal Case Filed Under the New Cyber Security Law

According to publicly available press reports,⁴⁶ the Ankara Chief Public Prosecutor’s Office has filed the first criminal case under Türkiye’s newly enacted Cyber Security Law No. 7545 (“*Law No. 7545*”), marking a significant step in the implementation of the country’s new cyber law framework.

Law No. 7545 entered into force upon its publication in the Official Gazette dated March 19, 2025 and numbered 32846.⁴⁷ The Law introduced a comprehensive framework for identifying and mitigating cyber threats, defining criminal and administrative liabilities, and establishing the Cyber Security Board as new institutional authority.

The investigation was initiated after the Department of Cybercrimes detected an online platform containing harmful software links, stolen credit card information, and unauthorized access tools targeting public institutions. It is also found that personal data was being traded for profit and that the platform had over twenty thousand registered members with different user ranks such as administrator, moderator and VIP member. These findings led the Ankara Chief Public Prosecutor’s Office to open an investigation under Cyber Security Law.

According to news reports, the indictment accepted by the Ankara 33. High Criminal Court concerns the unlawful acquisition and online sale of personal data belonging to millions of Turkish citizens, including senior executives and public officials. The investigation revealed that the data had been offered through a website and a total of 17 suspects, 9 of whom are under detention, were charged with (i) unlawful acquisition of personal data, (ii) possession of prohibited devices and software, and (iii) violation of the Cyber Security Law. The prosecution is reportedly seeking prison sentences of up to 15 years.

This case represents the first known application of Law No. 7545 before criminal courts. Article 16 of Law No. 7545 introduces new offenses targeting actions that endanger cybersecurity or compromise network integrity. The notion of “cyberspace” under the Law No. 7545 is interpreted broadly, covering not only the public internet but also private or closed networks that can connect to online systems.

In cases where certain acts may fall within the scope of both Law No. 7545 and Articles 243, 244 and 245 of the Turkish Criminal Code, which regulate

⁴⁶ <https://www.hurriyet.com.tr/gundem/bu-ne-curet-42948804>

⁴⁷ <https://www.resmigazete.gov.tr/eskiler/2025/03/20250319-1.htm>



unauthorized access to information systems and data-related offenses, the overlap would be assessed in accordance with Article 44 of the Turkish Criminal Code, which provides that when a single act constitutes multiple offenses, only the provision prescribing the more severe sanction shall apply. Given that Law No. 7545 introduces higher penalties and broader definitions of cyber-related misconduct, it is expected to prevail in situations where the offenses under both statutes coincide in substance, while the traditional provisions of the Turkish Criminal Code will continue to govern acts that remain outside the specific scope of Law No. 7545. This development confirms the growing importance of Law No. 7545 in both cybersecurity governance and criminal enforcement.

Telecommunications Law

Draft Amendment to the Internet Domain Names Regulation in Türkiye

On September 13, 2025, the Information and Communication Technologies Authority (“*ICTA*”) adopted its Board Decision No. 2025/DK-BTD/300, which approved the publication of the Draft Amendment to the Internet Domain Names Regulation (“*Draft Amendment*”) for public opinion. The Draft Amendment introduces several important changes to the management of “.tr” internet domain names in Türkiye. It establishes a centralized mechanism and platform for the sale of domain names, introduces the concept of “allocation right”, and sets new measures against the misuse of the Domain Name System (“*DNS*”).

I. Background

The Internet Domain Names Regulation (“*Regulation*”) was first published in the

Official Gazette on November 7, 2010 (No. 27752) and last amended on April 20, 2021 (No. 31460). The Regulation sets out the procedures for registration, renewal, and transfer of “.tr” domain names through TR Ağ Bilgi Sistemi (“*TR Network Information System*” in English) (“*TRABIS*”).

The Draft Amendment aims to update the existing framework of the Regulation and to clarify the procedures for domain name sales and allocation. It also sets out new provisions on registrar operations and the prevention of DNS misuse under the supervision of ICTA.

II. Introduction of New Concepts: ASAP and Allocation Right

One of the most notable additions to the Regulation is the creation of the Alan Adı Satış Platformu (“Domain Name Sales Platform” in English) (“*ASAP*”), which will serve as the official platform for the sale and allocation of “.tr” domain names.

- **ASAP (Article 3/ö):** Defined as the platform through which domain name sales and allocation right transactions are carried out.
- **Allocation Right (Article 3/p):** Refers to the right granted to an applicant to obtain a domain name through a registrar, after the domain has been listed on ASAP and deemed eligible for allocation by ICTA.

Through these new mechanisms, ICTA will be able to publish a list of available domain names and issue allocation rights, before the actual registration process takes place through the registrars.



III. Key Amendments

a. Application and Allocation Process

Article 7 has been amended to specify that ICTA may determine additional conditions for applications besides the technical requirements already listed in Article 6. Also, applicants were already required to declare and undertake that they would not infringe the rights of third parties, would not use the domain name in violation of the law, and would not acquire any rights in case of cancellation or withdrawal. The Draft Amendment now extends this provision to include rejected applications as well.

Applicants were required to acknowledge that cancellation, or withdrawal of an application will not create any vested right in their favour.

Article 8 has been revised to introduce a third allocation method, allocation through the granting of allocation right, in addition to the existing documented and non-documented methods. The new Article 8/4 allows ICTA to announce available domain names on ASAP and to issue allocation rights through this platform, and the allocation will then be completed through registrars.

b. Re-Allocation of Expired or Cancelled Domain Names

Under the revised Article 12, ICTA will be entitled to grant allocation rights for domain names that become available again after expiry, cancellation, or relinquishment. The Draft Amendment also allows ICTA to waive the existing waiting periods before reallocation.

c. Domain Name Sales and Transfers

Article 13 has been renamed to “Sale, Transfer, and Allocation Right.” All sales

and allocation right transactions will be conducted on ASAP. Transfers will continue to be carried out by registrars through TRABIS. The procedures and principles of these transactions will be determined by ICTA.

d. Registrar Operations and Transfer of Authorization

A new provision under Article 18 allows a registrar to transfer its operational authorisation to another registrar, with ICTA’s approval. Once approved, all rights and obligations of the transferring registrar will automatically pass to the recipient registrar.

e. Fees and Financial Provisions

With the paragraphs added to Article 28, it has been determined that fees related to the granting of allocation rights and the fee to be paid to the BTK as a result of the sale transaction carried out by the IAAS’s shall be accounted for as BTK revenue. It is also stated that fees paid for the use of ASAP will not be refunded.

f. Prevention of DNS Misuse

A newly added Article 32/A/1 addresses DNS misuse, defining it as the deliberate or malicious use of domain names or DNS infrastructure to harm internet users. Article 32/A/2 names several examples to DNS misuse such as phishing, malware distribution, unauthorized traffic redirection, and the use of spam for spreading malicious content.

ICTA will have the authority to take all necessary actions, including the cancellation of domain names, to prevent such misuse. The detailed procedures and principles will be set out by ICTA.



IV. Transitional Provisions and Entry into Force

The Draft Amendment states that domain name sales will not be allowed until ASAP becomes operational; however, domain names may still be transferred in certain exceptional cases such as inheritance, mergers or transfers of related trademark or patent rights. ICTA will announce the launch of ASAP on its website once the necessary preparations are completed.

The new provision on sales and allocation rights will take effect on the date ASAP becomes operational. The other provisions will enter into force on the date the final text of the amendment is published in the Official Gazette.

White Collar Irregularities

Türkiye Proposes Mandatory Reporting for High-Value Transfers: A Step Toward FATF Compliance

I. Purpose and Scope of the Draft General Communiqué Published by MASAK

On August 1, 2025, the Financial Crimes Investigation Board (“**MASAK**”) published the draft General Communiqué with Item No. 30 (“**Communiqué**”), which introduces a tiered approach for declarations which will be required during cash transactions conducted through financial institutions. The Communiqué lays down the groundwork for certain extra measures that must be taken to know and verify customers, in line with Financial Action Task Force (“**FATF**”) recommendations. These measures are aimed to help prevent money laundering, stop the financing of terrorism, and fight against unrecorded (grey) economy, in furtherance of Law No. 5549 on the

Prevention of Laundering Proceeds of Crime, dated October 11, 2006 (“**Law No. 5549**”).

II. Transactions Subject to Reporting Law

The Communiqué outlines specific thresholds for cash transactions that trigger enhanced reporting and documentation requirements by financial institutions and other obliged parties.

For cash transactions between TRY 200,000 and TRY 2,000,000, customers are now required to specify the purpose of the transaction by selecting from a list of transaction types.

For transactions between TRY 2,000,001 and TRY 20,000,000, institutions must also have customers complete a Cash Transaction Declaration Form, providing more detailed information. The template for Cash Transaction Declaration Form can be found in the Annex -1 of the Communiqué.

When cash transactions, or the cumulative amount of related cash transactions, exceed 20,000,000 TL, financial institutions must ensure the Cash Transaction Declaration Form is filled out by the customer, with detailed explanations and supporting evidence.

The purpose behind this tiered approach is to increase transparency in large-scale financial movements and to create a data trail for potentially suspicious activities. Importantly, if a customer selects a vague or unspecified reason for a transaction (such as “other” or “personal payment”), the customer must provide an explanation that will consist of at least 20 characters.



III. Prevention of Money Laundering and Informal Economic Activity

This Communiqué is closely aligned with Türkiye's commitment to international standards, especially those established by the FATF. The regulations are designed to address three key concerns: the laundering of proceeds from criminal activity, the financing of terrorism, and the growth of informal or unrecorded economy.

By enforcing stricter due diligence obligations and mandating detailed disclosures on large cash transactions, the Communiqué helps prevent the concealment of illegal earnings and discourages the use of financial institutions to channel illicit funds. It also targets individuals or entities engaging in under-the-table financial operations, which contribute to an unrecorded economy. Overall, the goal is to ensure that all financial transactions, especially large and irregular ones, are properly documented, justified, and monitored.

IV. Exempt Transaction Types

Certain transactions are exempt from the Communiqué. For instance; transactions conducted between a customer's own accounts within the same financial institution; transactions in which the customer is a public institution or organization; transaction conducted between banks where the customer is a bank; transaction carried out within the scope of correspondent banking; electronic transfers and remittances made through ATMs where the transaction amount or the cumulative amount of multiple related transactions do not exceed TRY 15,000; cash transactions made through ATMs where the transaction amount, or the total

amount of multiple related transactions do not exceed TRY 200,000.

V. Enforcement and Compliance Considerations

Compliance with the new measures is mandatory for a broad group of financial actors, including banks, electronic money institutions, payment providers, and other obliged parties defined under Law No. 5549. These institutions must implement internal procedures to ensure that cash transactions exceeding the stated thresholds are properly classified, recorded, and reported when necessary.

Institutions are also required to retain supporting documentation and make it available upon request by relevant authorities for the duration specified in Article 8 of Law No. 5549. Failure to follow the guidelines may result in administrative or legal penalties, including fines or further investigation as specified in Law No. 5549.

To facilitate compliance, per Article 4 (10) of the Communiqué, the specified measures allow financial institutions to implement additional controls related to electronic transfers, remittances, or cash transactions. Besides, financial institutions may also request additional information, explanations, or supporting documents about the nature of a transaction if circumstances warrant a suspicious transaction report, regardless of the monetary amount.

VI. Conclusion

By introducing enhanced reporting thresholds, stricter due diligence requirements, and clear guidance for financial institutions, the Communiqué aligns closely with FATF Recommendations, helping ensure that



Türkiye remains compliant with global anti-financial crime standards. The Communiqué is still in draft form and is expected to come into force on January 1, 2026.

Employment Law

Constitutional Court Affirms that White Collar Workers are Equally Entitled to be a Party to Collective Bargaining Agreements made with Blue Collar Workers.

I. Introduction

Syndicate rights, which pertain to employees' right to join a union, including rights associated with collective bargaining agreements ("**CBAs**") signed by the employers and the authorized unions, are generally considered by the employers to be applicable only for blue-collar employees and not for white-collar employees, who, due to the nature of their work, conduct work that requires less manual labour compared to blue-collar employees. However, the Constitutional Court, with its decision issued under application number 2022/18821 on March 20, 2025, has affirmed the exact opposite, stating that white-collar employees have the right to be a part of the CBAs.

II. Background of the Dispute

The dispute that was subject to the Constitutional Court's case was the lawsuit filed by an employee against her employer, before the Çayeli Civil Court of First Instance ("**First Instance Court**"). In this case, the plaintiff, who worked in the accounting department, argued that while she was a member of the Turkish Mine Workers Union ("**Maden-Is**") and that Maden-Is was the authorized union for the workplace where the plaintiff was

employed; she was excluded from the scope of the CBA signed between Maden-Is and the employer, on the grounds that she was a white-collar employee. Accordingly, the Plaintiff has claimed for her employment receivables arising from the CBA, which she argued that she should be entitled to.

The Court of First Instance, while dismissing the lawsuit, stated that the plaintiff was outside of the scope of the CBA. Upon plaintiff's objection, Samsun Regional Court of Appeal ("**Regional Court of Appeals**") has accepted the plaintiff's objection. However, in its decision the Regional Court of Appeals has affirmed that the plaintiff remained outside of the scope of the CBA but stated that a review on whether other employees who were outside of the scope of the CBA enjoyed any rights that were within the scope of the CBA. Effectively, the Regional Court of Appeals' reasoning for accepting the objection was not the plaintiff's legal status, *i.e.* whether or not she was eligible to enjoy the CBA provisions, but rather a practical reason requiring the First Instance Court to review the application of the CBA in practice, in the relevant workplace.

Upon review, the First Instance Court has determined that there were no employees benefiting from the CBA provisions while being outside of the scope of the CBA. Therefore, the lawsuit was once again dismissed. This time, the Regional Court of Appeals also dismissed the plaintiff's objection in a final decision.

III. Decision of the Constitutional Court

The plaintiff, on the other hand, applied to the Constitutional Court, arguing that her syndicate rights are being violated. Upon



this application, the Constitutional Court focused on the specific legal problem in this lawsuit, which is whether or not white-collar workers can benefit from the CBA provisions.

In its assessment, the Constitutional Court first referred to a precedent of the Court of Cassation,⁴⁸ wherein the Court of Cassation stated that the sole determination of an employee being a white-collar employee is not sufficient to leave the said employee outside of the scope of a CBA, but other factors such as whether the employee in question is a manager, the position of the employee in the employer's organizational chart, the salary and working conditions of the employee should be taken into account while making this evaluation. In the decision referred to by the Constitution Court, the Court of Cassation has also stated that there is no provision in the law making a distinction between white and blue-collar employees, and the distinction between the two are mainly considered to be the form of the work conducted, *i.e.* the blue-collar employees conduct more manual labour while the white-collar employees mostly conduct work that is relevant to an office-based environment.

Furthermore, in addition to the applicable legislation such as Law No. 4857 and Law No. 6356, the Constitutional Court also referred to international sources of law such as Universal Declaration of Human Rights of UN, Right to Organize and Collective Bargaining Convention No. 98 of ILO, Freedom of Association and Protection of the Right to Organize Convention No. 87 of ILO, jurisprudence of the European Court of Human Rights.

As a result of its evaluation, the Constitutional Court stated that, regardless of the difference of the nature of the work conducted by the employee, and regardless of whether the employee is a blue-collar or a white-collar worker, all employees, except for the ones who are deemed to be managers/employer's representatives and ones who represent the employer during the CBA negotiation process, are entitled to benefit from the CBA provisions. The Constitutional Court also reaffirmed that there is no provision in the applicable law that makes a distinction between blue and white-collar employees in respect of syndicate rights and CBAs. Accordingly, the Constitutional Court decided that the plaintiff's syndicate rights protected by Article 51 of Turkish Constitution were violated.

IV. Conclusion

The said decision confirms that only the employees who are considered as managers/employer's representatives and ones who represent the employer during the CBA negotiation process, can be left outside the scope of CBAs. Any other employee who is a member of a union is entitled to benefit from the CBA provisions, regardless of their position as a blue-collar or white-collar worker. The Constitutional Court has also affirmed that this distinction alone has no bearing on whether an employee may or may not be deemed to be entitled to benefit from the CBA provisions.

⁴⁸ Court of Cassation, 9th Chamber, File no 2023/7508, Decision no 2023/6118, dated 9.9.2024.



Intellectual Property Law

The Court of Cassation rules that distinctive character with high degree of similarity may indicate bad faith in a trademark application

I. Introduction

According to Article 6/1 of Law No. 6769 on Industrial Property (“**Law No. 6769**”), for two compared marks to be deemed as having a likelihood of confusion and therefore subject to annulment, the following conditions should be met: (i) similarity between the trademarks, (ii) similarity between the goods and services covered by the compared trademarks, and (iii) existence of likelihood of confusion. In addition, a trademark application filed in bad faith shall also constitute grounds for annulment.

In its decision with file number 2024/3844, decision number 2025/1879 and dated March 18, 2025 (“Decision”), the Court of Cassation ruled that when a proposed trademark possesses a high degree of distinctiveness and exhibits a high level of similarity to a prior mark, this may give rise to a finding of bad faith in the trademark application.

II. Dispute Subject to the Decision

The plaintiff is the owner of earlier trademarks consisting of the word element “STAYER”, which have been used globally since 1958 in connection with construction machinery and related equipment. The contested trademark application, filed by a real person, consisted of the sign “STAYER +” covering goods and services in Class 7 and Class 35, including various construction machines and retail services for such goods.

The plaintiff filed an objection against the trademark application “STAYER +” of the defendant (*i.e.*, the trademark applicant) based on likelihood of confusion based on Article 6/1 of the Law No. 6769, well-known status based on Articles 6/4 and 6/5 of the Law No. 6769 and bad faith based on Article 6/9 of the Law No. 6769. The objection was partially accepted by the Trademarks Department. The part which was rejected was later appealed by the plaintiff, yet this appeal was again rejected by the Re-Examination and Evaluation Board (“**REEB**”). Upon said rejection, the plaintiff filed an annulment lawsuit against this REEB decision.

In its claim petition, the plaintiff argued that (i) the trademarks subject to the lawsuit shared a high level of similarity due to the identical dominant element, (ii) the addition of the “+” sign in the contested trademark did not create any distinctiveness or alter the overall impression of the mark, (iii) the plaintiff’s earlier trademark had acquired recognition in the relevant sector, (iv) therefore, the contested trademark would benefit from the plaintiff’s established reputation, and (v) the trademark application was filed in bad faith. Accordingly, the plaintiff requested the annulment of the Re-Examination and Evaluation Board’s decision and the contested trademark of “STAYER +”.

The first instance court partially accepted the claim, on the grounds that (i) the goods and services covered by the contested trademark application and the plaintiff’s earlier trademarks were the same, of the same type, or closely related, (ii) both signs consisted of the same dominant word element, and the “+” symbol was commonly used to indicate a upgraded or enhanced version of a good and therefore did not contribute to distinctiveness, (iii) as



a result, the trademarks were visually similar and created a likelihood of confusion under Article 6/1 of Law No. 6769. However, the court also concluded that the plaintiff did not sufficiently prove that its trademark was well-known, which could have justified protection under Articles 6/4 or 6/5, nor did the evidence support the allegation of bad faith under Article 6/9. Accordingly, the court ruled for partial annulment of the REEB decision and the partial annulment of the contested trademark only to the extent of the additional similar goods and services.

The Turkish Patent and Trademark Institution (“*TPTI*”) and the plaintiff both objected to the first-instance court’s decision before the Regional Court of Appeals. Upon review, the Regional Court of Appeals held that the trademarks shared a high degree of similarity and that the plaintiff’s earlier trademark possessed significant distinctiveness within its sector. The Court further reasoned that the selection of the contested trademark by coincidence, as well as the defendant’s alleged unawareness of the plaintiff’s earlier trademark, would be contrary to the ordinary course of life. The defendant also failed to provide a convincing explanation for the choice of the contested mark. Accordingly, the Regional Court of Appeals concluded that the trademark application had been filed in bad faith, revoked the first instance court’s decision, and ordered the complete annulment of the REEB decision and the contested trademark. This decision was subsequently appealed.

On March 18, 2025, the Court of Cassation reviewed the appeal filed by the TPTI against the Regional Court of Appeals’ decision. The Court found no substantive or procedural grounds to overturn the ruling of the Regional Court of Appeals.

Accordingly, the Court of Cassation upheld the decision, confirming that the contested trademark had been filed in bad faith and ruling for the complete invalidation of the “STAYER +” trademark.

III. Conclusion

The Court of Cassation’s decision affirming the Regional Court of Appeals’ ruling is both instructive and significant, as it reflects a new perspective, one that carefully examines the true intention behind the filing of a trademark application. The previous approaches in assessment of similar cases inclined towards concluding that a high level of similarity, by itself, is not sufficient to evince bad faith. However, in this decision, both the Regional Court of Appeals and the Court of Cassation recognized that such a possibility may indeed exist, which they explored and determined in a pragmatic and sophisticated manner. The decision underscores the necessity of conducting a detailed, case-by-case assessment to make deductions or assumptions about intentions of the parties and to thereby ensure imposition of legal consequences arising from such findings.



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