



Revisiting On-Site Inspections for Undertakings with Limited Local Presence: Competition Board's Spotify Decision

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I. Introduction

On February 10, 2026, Turkish Competition Authority (“*Authority*”) published the reasoned decision² of the Turkish Competition Board’s (“*Board*”), dated 17.07.2025 and numbered 25-26/634-392, concerning Spotify. In this decision, an administrative fine amounting to 0.5% of Spotify’s 2024 gross revenues was imposed pursuant to Article 16 of the of Law No. 4054 on the Protection of Competition (“*Law No. 4054*”) on the grounds that Spotify obstructed an on-site inspection conducted during a preliminary investigation initiated against it in relation to allegations that it distorted competition in the online music streaming market in Türkiye. In addition, the Board imposed a daily administrative fine of 0.05% of Spotify’s 2024 gross revenues for each day the obstruction continued.

Following service of the Board’s short-form decision, Spotify sent an invitation letter to the Authority for the on-site inspection to be conducted. Upon completion of the inspection, the Board imposed the accrued daily administrative fine, amounting in total to TRY 27,630,373.57, for the period during which the on-site inspection had been obstructed. The reasoned decision³ concerning this fine (“*Decision*”) was subsequently published on March 18, 2026.

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² Board’s *Spotify* decision dated 17.07.2025 and numbered 25-26/634-392.

³ Board’s *Spotify Daily Administrative Monetary Fine* decision dated 28.08.2025 and numbered 25-32/759-450.

This article examines the Board’s Spotify Decision, focusing on how the Authority’s powers to conduct on-site inspections have evolved and become more stringent in the digital environment, while highlighting how traditional inspection methods are being adapted to ensure effective enforcement, particularly in relation to undertakings active in Turkiye but maintaining only a limited or purely formal local presence, without locally based personnel responsible for in-country activities.

II. An Extensive Preparation Process Conducted by Case Handlers

The Board, by its decision dated June 26, 2025, initiated a preliminary investigation against Spotify based on allegations that Spotify engaged in discriminatory practices among artists and content creators on its platform and employed anti-competitive strategies that impeded competitors in the online music streaming services market and/or affected the distribution of royalty payments to rights holders.

During the preliminary investigation, case handlers undertook a comprehensive review of publicly available sources to gather a thorough understanding of Spotify and its operations in Turkiye, to facilitate the on-site inspection process and ensure that on-site inspection could be carried out in an efficient manner. For these purposes, the case handlers analyzed information available through publicly sources alongside the documents contained in the case file and determined potential scenarios for the on-site inspection.

The case handlers commenced their review of publicly available sources by gathering information concerning Spotify’s operations in Turkiye. On this note, the case handlers came across a news article indicating that although Spotify closed its local office in 2022, the Turkish market continued to be managed by a team operating under regional offices. Accordingly, the case handlers concluded that the closure of the local office merely reflected an organizational restructuring rather than a withdrawal from the Turkish market.

Subsequently, the case handlers examined records published in the Turkish Trade Registry Gazette⁴ and identified Spotify’s registered office address in Turkiye. It was suspected that the

⁴ Turkish Trade Registry Gazette is the official public bulletin in which legally required announcements regarding merchants and commercial companies are published, including company formations, amendments to articles of association, mergers, dissolutions, and other registry records

company mentioned in the Turkish Trade Registry Gazette records was absent of any administrative and technical structure required to operate in Türkiye, with insufficient staffing and only a single individual appointed as board chair. Therefore, the case handlers focused on identifying the individuals that were non-resident in Türkiye but were responsible for Spotify's Türkiye operations.

Within this scope, the case handlers reviewed professional networking platforms such as LinkedIn and, as a result of their efforts, the case handlers were able to identify five key individuals affiliated with Spotify's activities in the Turkish market.

III. On-Site Inspection

Upon collecting necessary information, the case handlers proceeded to carry out an on-site inspection and arrived Spotify's premise registered in the Turkish Trade Registry Gazette on July 2, 2025 at 11:25 AM.

Upon arrival at the premises, the case handlers noted that only a single representative of Spotify was present on-site. They were informed that the authorized personnel would be contacted without delay. Subsequently, Spotify's legal representatives reached out to the authorized Spotify representatives and briefed them on the scope of the inspection. It was explained that the review aimed to understand the key elements of Spotify's subscription and advertising policies in Türkiye, including the functioning of decision-making processes, the extent of Spotify Türkiye's involvement, and the mechanisms for playlist creation.

Spotify representative later explained that, due to the complexity of Spotify's technical operations, it was not possible to identify a single person responsible for technical activities in Türkiye and that questions concerning pricing policies could be addressed in writing following the inspection. The case handlers clarified that while formal information requests would be required for pricing-related matters, immediate access to relevant personnel was necessary for all other issues. They also noted that, based on publicly available information, an individual affiliated with Spotify's activities in Türkiye fell within the scope of the inspection and requested that this person be contacted.

Chronologically, at **12:00 noon**, an initial attempt was made to contact the relevant individual who indicated that the authorized personnel from Spotify Europe would be reached promptly. At **12:53**, contact was established and the scope and purpose of the inspection were explained, including requests concerning subscription and advertising policies, decision-making processes, playlist creation, and Spotify Turkiye's potential involvement. At **13:52**, an email was sent to relevant personnel indicating that recipient needed to be contacted in connection with the Authority's preliminary investigation into Spotify Turkiye. As no response was received by **14:47**, contact was re-established, and Spotify Europe indicated that efforts to identify the appropriate contact person were ongoing. At **15:26**, Spotify Europe representatives stated that responses for the requested information would be provided within an hour.

At **16:04**, a videoconference was held during which the case handlers emphasized that the inspection required direct access to relevant personnel rather than general explanations. Following a break at **16:52**, the meeting resumed at **18:25**. During this session, Spotify Europe representatives reiterated the difficulties in identifying technical personnel, referred to publicly available information, and expressed their confidentiality concerns. The case handlers reiterated their authority to review such information and requested access to relevant email accounts.

At **19:36**, Spotify representatives stated that playlists are created globally through a combination of editorial input and algorithms, without a Turkiye-specific structure. The case handlers maintained their request for access to relevant personnel and documentation, including criteria for curated playlists and algorithmic ranking parameters, emphasizing that such individuals could not be excluded from the inspection's scope. Spotify Europe representatives, however, stated that the requested individuals fell outside the scope of the investigation and declined to provide the requested information

Finally, at **20:27**, the case handlers reiterated that they are authorized to conduct on-site inspection and carry out necessary reviews under the applicable legislation while also underlining that the inspection could not rely solely on statements and that access to the relevant individuals should be ensured or justified.

Against this background, during the approximately eight-hour on-site inspection, the case handlers held four videoconferences with Spotify representatives. Throughout these videoconferences, as explained above, case handlers explicitly requested access to the digital

data of five individuals previously identified as those responsible for Spotify's operations in the Turkish market.

IV. The Board's Obstruction Decision and Spotify's Subsequent Invitation for an On-Site Inspection

In light of the foregoing, the Board concluded that Spotify had obstructed the on-site inspection by refusing the case handlers' requests to grant access to individuals identified as being involved in its activities in the Turkish market. Accordingly, by its decision dated July 17, 2025, the Board imposed an administrative fine amounting to 0.5% of Spotify's 2024 gross revenues pursuant to Article 16 of Law No. 4054 on the grounds of obstruction. In addition, the Board imposed a daily administrative fine of 0.05% of Spotify's 2024 gross revenues pursuant to Article 17 of Law No. 4054 for each day the obstruction continued.

Following service of the Board's short-form decision, the Authority received an invitation letter dated August 15, 2025 from Spotify inviting the case handlers to conduct the on-site inspection. In this letter, Spotify proposed that the inspection take place on August 21, 2025 at its registered address and indicated that, should this date be unsuitable, it would accommodate the inspection on the earliest mutually agreed date to be determined by the Authority.

Spotify further stated that it would ensure the availability of relevant international personnel responsible for its Turkiye-related operations. It also indicated that, in order to mitigate the risk of data loss, a legal hold had been implemented as of July 2, 2025 with respect to the employees identified by the case handlers during the initial inspection.

Against this background, by its decision dated August 28, 2025, the Board imposed a total administrative fine of TRY 27,630,373.57 on Spotify, pursuant to Article 17 of Law No. 4054, for each day during which on-site inspection scheduled for July 2, 2025 could not be carried out.

V. Conclusion

The Decision illustrates that the Board makes clear that the absence of a solid local presence - namely, a physical establishment with personnel responsible for in-country activities- does not

constrain the Authority's ability to conduct on-site inspections. This is particularly significant in digital markets, where such a presence is not required to operate effectively.

In this respect, the Decision reinforces the Authority's emerging approach to strengthening enforcement, moving away from a purely location-based understanding of on-site inspections toward a more substantive, effects-based framework aligned with the realities of the digital economy. By relying on publicly available information and insisting on access to relevant personnel regardless of their location, the Authority makes clear that enforcement follows economic activity rather than corporate form, ensuring its continued effectiveness.

Importantly, the Decision also signals that obstruction of such inspections, particularly through failure to provide access to relevant personnel, will not only be subject to a lump-sum administrative fine pursuant to Article 16, but may also trigger daily administrative fines under Article 17 of Law No. 4054. In this sense, the imposition of daily fines emerges as a practical enforcement tool to compel cooperation in real time.

All in all, the Board's approach underscores both its expanding investigative reach and its clear insistence on accessing individuals responsible for activities affecting the Turkish market, even where such individuals are located outside Türkiye. For global digital platforms, the message is clear: the existence of only a limited or formal local presence, such as a contact office without personnel responsible for activities in the country, does not limit exposure to on-site inspections, nor does it shield undertakings from sanctions for non-cooperation.

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