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The Turkish Competition Authority accepts an online marketplace's commitments to open API integration to multiple logistics providers after discrimination concerns *(Etsy / ShipEntegra)*

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Introduction

The Turkish Competition Board (the "**Board**"), in its decision dated 30 June 2026 and numbered 26-23/679-273 (the "**Decision**"), concluded a preliminary investigation concerning Etsy, Inc. ("**Etsy**") and ShipEntegra Teknoloji ve Yazılım Sistemleri AŞ ("**ShipEntegra**"). The case arose from a complaint by PASS Global Uluslararası Taşımacılık Dış Ticaret Ltd. Şti. ("**KargoPass**"), a competing logistics intermediary, alleging that preferential access granted to ShipEntegra through Etsy's application programming interfaces ("**APIs**") excluded competing logistics providers, contrary to Articles 4 and 6 of Law No. 4054 on the Protection of Competition ("**Law No. 4054**"). The Board accepted and made binding Etsy's commitments without opening a full-fledged investigation. Separately, it found no grounds to initiate an investigation against ShipEntegra under Article 4 of Law No. 4054. The commitments provided for a selection process designed to make API integration available through at least two logistics providers, subject to commercial and security requirements.

At the centre of the case was the competitive significance of API integration, which facilitated the automatic transfer of order information and the generation of shipping labels. The availability of this integration only through ShipEntegra for newly opened Etsy stores raised concerns about the ability of competing logistics providers to attract new customers. The Board assessed these concerns as potential discrimination by Etsy under Article 6 of Law No. 4054, separately from its examination of the alleged anticompetitive agreement.

This article examines the Board's separate assessments under Articles 4 and 6 of Law No. 4054, the evidence underlying the discrimination concern, and the scope and implications of Etsy's commitments.

The Board's Assessment of the Competition Concerns

The Relationship Between Etsy and ShipEntegra under Article 4 of Law No. 4054

The Board first examined KargoPass's allegations concerning the relationship between Etsy and ShipEntegra. The complaint argued that the undertakings acted together to exclude competing logistics providers and that Etsy used its market power in platform services to favour ShipEntegra in logistics services. KargoPass also alleged that Etsy and ShipEntegra formed a single economic unit. In assessing this allegation, the Board examined the undertakings' ownership and management structures and found that they had separate financial and operational resources and independent strategic decision-making mechanisms. Accordingly, it concluded that Etsy and ShipEntegra constituted separate economic units.

The Board then assessed the agreement governing ShipEntegra's access to Etsy's APIs. It found that the agreement did not contain any restrictive provisions and did not have an anticompetitive object or effect within the meaning of Article 4 of Law No. 4054. The Board also noted that the information and documents obtained during the preliminary investigation did not demonstrate a meeting of minds between Etsy and ShipEntegra aimed at excluding ShipEntegra's competitors. On this basis, it concluded that there were no grounds to initiate a full-fledged investigation against ShipEntegra under Article 4 of Law No. 4054.

As for the allegations concerning Etsy's individual conduct, the Board separately assessed whether its preferential provision of API integration to

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ShipEntegra could constitute an abuse of dominance under Article 6 of Law No. 4054.

Relevant Product Market, Dominance and Secondary-Line Discrimination

The Board noted that Etsy operated a marketplace focusing on handmade, artisanal and vintage products. In assessing Etsy's market position, it considered that, if the relevant product market were defined as online intermediation services for handmade and artisanal products, Etsy's substantially higher market share compared to its competitors, significant network effects, barriers to entry and the absence of countervailing buyer power would constitute important indications of dominance. However, the Board did not make a definitive finding on the relevant product market or Etsy's dominant position.

The Board assessed the discrimination concerns under Article 6(2)(b) of Law No. 4054, which concerns the application of discriminatory conditions for equivalent rights, obligations and performances. It distinguished between primary-line discrimination, directed against the dominant undertaking's competitors, and secondary-line discrimination, affecting trading partners that compete with one another but not with the dominant undertaking. Since Etsy was not active in competition with the logistics providers, the Board assessed the preferential treatment allegedly afforded to ShipEntegra within the framework of secondary-line discrimination. Referring to its previous decisional practice, the Board examined whether unequal conditions applied to similarly situated trading partners in equivalent transactions created a material competitive disadvantage, were capable of distorting competition and lacked objective justification [1]. It also noted commentary on the limited EU practice concerning standalone secondary-line discrimination [2].

Comparability of Logistics Providers and the Role of API Integration

The Board first compared the logistics providers' services and operating structures. It noted that they collected parcels, arranged international transportation through carriers and offered shipment tracking. Although their domestic networks differed, they could collect parcels throughout Turkiye through their own operations or agreements with domestic cargo companies. As for prices and delivery times, ShipEntegra's economy tariffs were higher than those of Navlungo, a competing logistics provider, for the US, German and UK routes examined, while their express tariffs were broadly similar. Other providers offered lower prices than both undertakings, and delivery times generally differed by only one or two days. The Board thus found almost all providers similarly situated despite differences in prices and services.

The Board then examined the role of API integration, which enabled the automatic transfer of customer names, delivery addresses and contact details and the generation of shipping labels. Under the arrangement implemented on 3 June 2024, integration for newly opened Etsy stores was available only through ShipEntegra, while existing stores retained their previously established integrations with other providers.

In assessing manual processing as an alternative, the Board considered seller submissions concerning the additional time, costs and errors involved, particularly when entering foreign delivery addresses. One seller whose KargoPass integration remained available estimated that processing without integration would require two to three hours each day. Sellers also indicated that errors could lead to delivery failures, refunds and losses, including cases in which they received neither the product price nor the shipping costs, and that repeated delivery problems could result in account closure. Some sellers suggested that exclusive integration could make ShipEntegra appear to new exporters as the only established intermediary. Given these submissions and integration's operational benefits, the Board considered API access important to sellers' choice and use of alternative providers.

The Effects of the Integration Arrangement on Revenues and Customer Acquisition

The Board found that Etsy-related revenues were substantial for all providers examined except QS, making access to Etsy sellers commercially significant. After June 2024, ShipEntegra's Etsy-related revenues rose while Navlungo's fell.

1. Board's *Digiturk IV* decision dated 20.03.2014 and numbered 14-11/205-89; *Coca Cola* decision dated 26.05.2005 and numbered 05-36/453-106.

2. Robert O'Donoghue and Jorge Padilla, *The Law and Economics of Article 102 TFEU*, 2nd ed., Hart Publishing, 2013, pp. 813–814.

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Although year-end orders partly explained ShipEntegra's 2024 growth, the revenue gap persisted through 2025 and up to March 2026. The Board found that shipment distribution remained largely unchanged for existing customers after June 2024 but shifted towards ShipEntegra for new customers-sellers first served in the relevant month. ShipEntegra handled almost all shipments in this group in 2025. Continued openings of Turkish Etsy stores further underscored the importance of rivals' ability to attract new customers.

Seller correspondence obtained during the on-site inspection also included messages from new and certain existing sellers indicating that they had started using ShipEntegra following the integration arrangement. Taking this evidence together with the revenue and shipment data and the operational benefits of integration, the Board considered that the lack of integration for new customers disadvantaged competing providers and caused revenue losses. It further identified a risk that new Etsy sellers would become dependent on ShipEntegra, limiting their access to alternative logistics channels and distorting competition.

Etsy's Explanations and the Board's Assessment

Etsy argued that its partnership with ShipEntegra aimed to improve shipping quality and affordability, referring to faster deliveries to the US compared to the leading postal service in Turkiye, smoother logistics processes, economical shipping options and positive seller experiences. It also maintained that its sellers accounted for only a small part of cross-border e-commerce from Turkiye, limiting the arrangement's competitive impact. Etsy further emphasized that existing integrations with other providers remained available and that sellers could use alternative providers by entering shipping and tracking information manually. It also noted that the agreement was non-exclusive and that other providers offering similarly reliable and high-quality services could enter into comparable partnerships in the future.

The Board nevertheless considered these explanations insufficient to address the competition concerns, given the importance of API integration for sellers and the revenue losses experienced by providers unable to offer integration to new customers. In particular, neither manual processing nor the possibility of future partnerships dispelled the concern that preferential integration favoured ShipEntegra and could distort competition in international parcel-shipping intermediation.

The Board's Assessment of Etsy's Commitments

The Board assessed the availability of the commitment procedure under Article 43(3) of Law No. 4054 and Communiqué No. 2021/2. This framework allows undertakings to offer commitments during a preliminary investigation or a full-fledged investigation to address concerns under Articles 4 or 6, except for clear and serious infringements. Where the commitments are sufficient, the Board may make them binding and decide not to initiate an investigation or to terminate an ongoing one. The Board found that the conduct was eligible for this procedure and that Etsy's submission of 18 June 2026 was timely. The Board then examined whether the proposed commitments were proportionate to the competition concerns, suitable to address them, and capable of prompt and effective implementation. Etsy maintained its objections to the proposed narrow market definition and its possible dominance, referring to competition from platforms such as Hepsiburada, Trendyol and Amazon.

Selection of Preferred Logistics Partners

The Board examined Etsy's proposed request-for-proposal process for selecting preferred logistics partners in Turkiye, who would receive full API access. Etsy undertook to invite all eligible providers within four months of notification of the short-form decision. Eligibility required previous service to Turkish Etsy sellers through Etsy's APIs and a minimum annual volume of shipments fulfilled through those APIs. Although the relevant historical period and shipment threshold were redacted in the published Decision, the Board found the threshold reasonable based on providers' shipment volumes, noting that most could meet it.

The invitations would explain the selection process and evaluation criteria. Providers accepting the invitation and signing a confidentiality agreement would have 30 days to complete a detailed

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questionnaire. If more than ten eligible providers responded, Etsy would evaluate the ten with the highest volume of qualifying packages carried for Turkiye-based Etsy sellers through its APIs during the preceding calendar year.

The evaluation criteria covered shipping speed, carrier coverage, claim and damage rates, tracking completeness, cost savings, seller discounts, international shipping capabilities, customer reviews, seller adoption and loyalty, order volumes, software capabilities, sustainable business practices, market perception and alignment with Etsy's brand. The Board considered these criteria appropriate to the services concerned.

Appointment of Multiple Preferred Partners

The Board examined Etsy's undertaking to invite the highest-scoring provider and all others achieving a specified proportion of that provider's score, redacted in the published Decision, to become preferred partners. If no other provider met the threshold, Etsy would also invite the second-highest-scoring provider, preventing differences in evaluation scores from limiting the selection to a single provider. Appointment and API access would remain conditional on accepting Etsy's business terms and passing its security screening. If these requirements left fewer than two partners, Etsy would invite the next-highest-scoring provider.

The Board also noted that Etsy's programme generally involved two providers in other countries and, in certain countries, three. It therefore considered integration with at least two providers in Turkiye reasonable and found that opening the selection process to eligible providers and enabling multiple integrations would address the competitive disadvantage arising from integration previously being available only through ShipEntegra for newly opened stores.

Reporting, Seller Information and Implementation

The Board required Etsy to submit a report to the Turkish Competition Authority (the "**Authority**") immediately after completing the first selection process and signing the preferred-partner agreements, and in any event within one year of notification of the short-form decision. The report would identify participants, their eligibility, individual total scores, selection results and appointed partners.

Etsy could organize subsequent selection processes according to its needs and market conditions and amend the evaluation criteria, provided that it documented the reasons. It would retain records and submit the prescribed report within two months of the Authority's request. The Board considered that these arrangements allowed adaptation while maintaining oversight.

Etsy also undertook to inform sellers that they could use providers outside the preferred-partner programme. The Board considered that this clarification would prevent the impression that preferred partners were mandatory, preserving seller choice alongside expanded API integration.

The commitments would take effect on the day following notification of the short-form decision and remain binding for five years, with Etsy promptly notifying the Authority of material changes to, or suspension of, the programme. Given the pace of change in e-commerce, the Board found this duration reasonable and the overall package proportionate, suitable and sufficient to address the potential competition concerns.

Accordingly, the Board made the commitments binding and declined to initiate a full-fledged investigation into the allegations covered by them under Article 43(3) of Law No. 4054. It separately decided under Article 41 that no suspicion of an Article 4 infringement warranted an investigation against ShipEntegra. No administrative fine was imposed.

Conclusion

The Decision is significant in showing how a platform's API integration policy may affect competition in an adjacent market. Its analysis also shows that maintaining existing integrations may not resolve competition concerns where new business is increasingly directed towards a single provider.

The commitments are designed to preserve Etsy's selective partnership model while expanding sellers' choice of integrated providers. Disclosed evaluation criteria, fallback invitations, documented selection results and clear seller information support both access and oversight. At the same time, the Decision

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addresses potential discrimination through commitments, without a definitive finding of dominance or abuse or a general obligation to grant API access to all providers.

For platforms, the Decision highlights the importance of assessing contractual non-exclusivity alongside sellers' practical ability to use alternative providers. For logistics providers, it underlines the relevance of evidence demonstrating operational comparability and the effects of integration on customer acquisition. The effectiveness of the commitments will also depend on how the selection criteria are applied. Factors such as seller adoption, order volumes and brand alignment allow commercial discretion, making documentation and oversight important to ensuring that partner selection remains linked to service requirements and preserves meaningful seller choice.

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