

Latest Measures Within Turkey's State of Emergency Include Shifting Trustee Duties and Courts Receiving Discretion to Grant Stay Orders

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Turkey has taken a series of new measures involving companies and public institutions in the wake of the State of Emergency declared on 21 July 2016. Notable recent measures include shifting trustee duties for entities deemed to be connection with terrorist organizations to the Savings Deposit Insurance Fund. Also, courts can now decide not to issue stay orders in cases filed about decisions made in the scope of State of Emergency statutory decrees and transactions. Mayors receive the power to terminate municipality agreements with terror-linked entities, as well as the Council of Ministers becomes able to postpone strikes and lock-outs for sixty days on the basis they will disturb stability.

Notable recent changes and measures include:

- The duties and authorizations of trustees assigned to companies due to the company's connection with terrorist organizations are terminated and transferred to the Savings Deposit Insurance Fund ("**Fund**").
- The Fund is authorized to undertake sale and liquidation transactions for companies under its management and supervision.
- Courts can decide not to issue stay orders in cases filed about decisions made in the scope of State of Emergency statutory decrees and transactions.
- Entities liquidated due to their connections with terrorist organizations and determined by the National Security Council to be active in similar acts against national security cannot demand any compensation for the liquidation.
- The Council of Ministers receives authority to postpone strikes and lock-outs for sixty days on the basis they will disturb stability in the general health, national security, public transport or banking services.
- Mayors can terminate municipality agreements with contractors, (as well as subsidiaries and associations which have more than 50% share) due to connections with terrorist organizations.
- Where the Fund has been appointed as trustee, the assets of partners and managers who are guarantors for the company (or third party natural or legal persons associated with them) will be applied primarily to pay company's debts. The Fund is entitled to sell these assets.
- The Fund is exempt from certain prohibited transactions. These include foreclosure, preservation, sale, and bankruptcy decision on all kinds of rights and receivables of the assets constituting commercial and economic integrity.
- The Development Bank of Turkey will carry out the Program of Attraction Centers to stimulate the investment ratio in less developed regions.
- People connected with terrorist organizations may not participate directly, indirectly or sub contractually in public agreements, on their own behalf, or on behalf of others.
- Goods purchased for regional and technological development can be purchased partly or collectively by cooperation between administrations and tenderers. Goods purchases are only open to tenderers which propose to use Turkish-produced goods or purchases in provinces subject to the regional development program.
- The monetary limit for administrations to the State Supply Office has been doubled from two trillion three hundred billion Turkish liras to four trillion six hundred billion Turkish liras.

Please see the links below for full text of the related legislation (only available in Turkish):

- Statutory Decree No 677 on Taking Certain Measures Within The Scope of The State of Emergency, published in Official Gazette number 29896 on 22 November 2016.
- Statutory Decree No 678 on Taking Certain Measures Within The Scope of The State of Emergency, published in Official Gazette number 29896 on 22 November 2016.
- Law No 6755 on Measures to be taken regarding the State of Emergency, published in Official Gazette number 29898 on 24 November 2016.
- Law No 6758 on Making Certain Arrangements within the scope of the State of Emergency, published in the Official Gazette number 29898 on 24 November 2016.

Related Practices

- Public Procurement and Government Contracts
- Administrative Procedures and Actions