

Omnibus Law Introduces Arbitration to Dispute Traffic Insurance Claims and Loosens Employee Annual Leave Requirements in Turkey

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An omnibus law in Turkey has amended insurance provisions of the Highway Traffic Law No. 2918 to clarify document requirements and introduce the option of arbitration. It also loosens a legislative requirement for employees to take annual leave in one continuous period under the Labor Law No. 4857.

The Law No. 6704 on Putting Pension to the Destitute, Weak and Helpless Turkish Citizens and Amending Several Laws and Decree Laws ("Omnibus Law"), was published in Official Gazette number 29695, on 26 April 2016.

Changes to the Highway Traffic Law No. 2918

The Omnibus Law introduces changes regarding compulsory automobile liability insurance:

- When applying for compensation, the claiming party must first apply to the insurer. If the insurer does not respond to the application in writing within fifteen days, or the dispute is not solved, the claiming party can choose to either file a lawsuit, or they may now also initiate arbitration (with the Insurance Arbitration Commission).
- Exceptions for compensations based on the General Rules on Compulsory Automobile Liability Insurance are expanded.
- If a traffic accident occurs, the claiming party must now apply for compensation with the documents required by the General Rules on Compulsory Automobile Liability Insurance, rather than an accident and loss report or an expert's report. However, The General Rules do not list the specific documents required. The claiming party must apply to the insurer within ten days of a traffic accident and provide the relevant documents within a reasonable time.

Changes to the Labor Law No. 4857

It is now legislatively permitted for an employee to use annual leave in parts (by agreement with the employer), provided one part is at least ten days long (Article 56(3) of the Labor Law, revised by Article 16 of the Omnibus Law).

Previously, an employee's entire annual leave allowance could technically only be used in one part. However, regardless of this prior legislative requirement, in practice it was possible to use the annual leave in parts, at the employee's request. Therefore, the change simply updates the Labor Law to better reflect common practices.

Please see this [link](#) for the full text of the Omnibus Law (only available in Turkish)

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