

Public Consultation in Turkey for Proposed Amendments to Vertical Guidelines, Addressing Online Sales and Most Favored Customer Clauses

10 Aug 2017

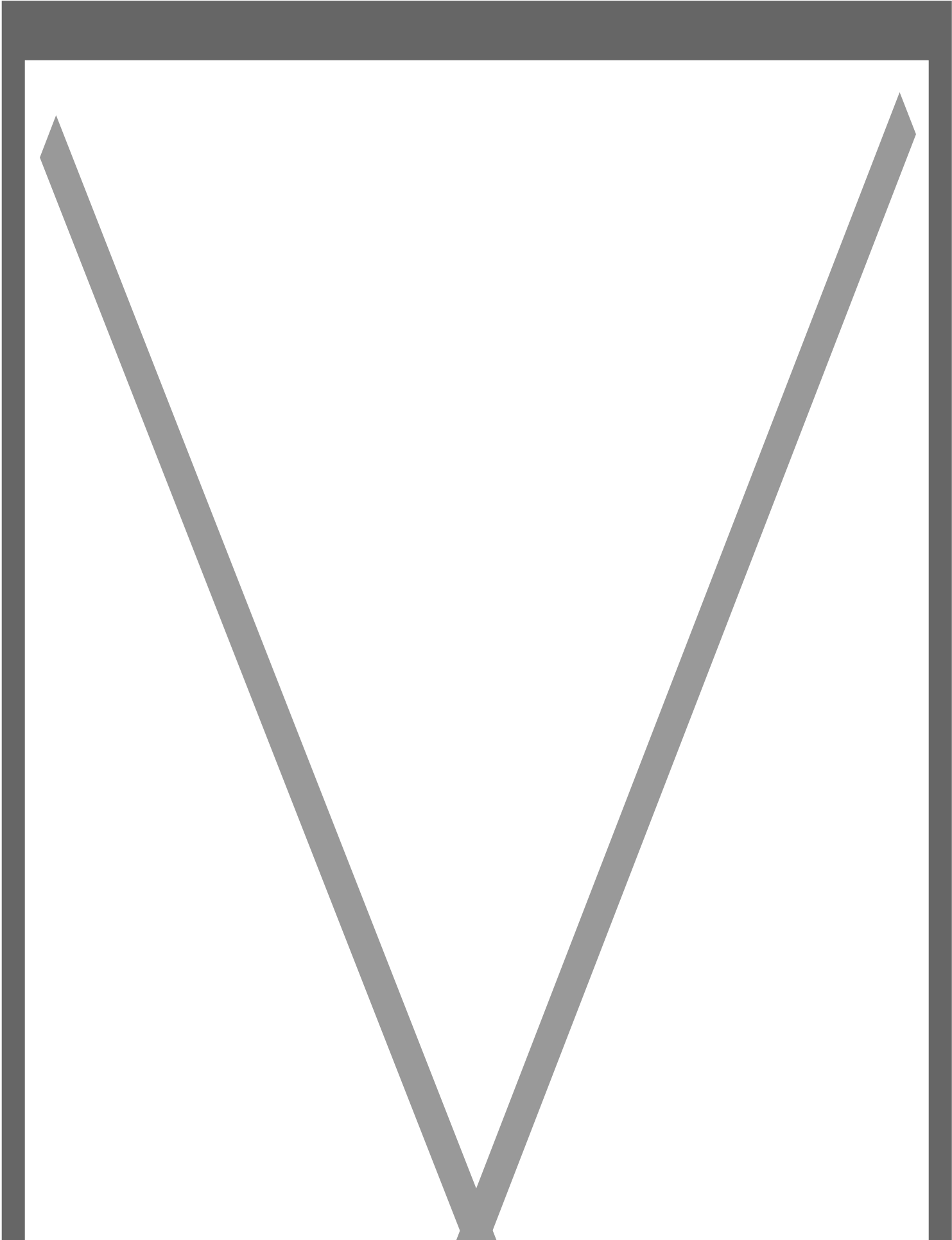
The Turkish Competition Authority recently announced a public consultation period for proposed amendments and additions to its guidelines on vertical agreements. The current regulatory framework fails to address the topic in any meaningful detail, simply indicating that online sales have the characteristic of passive sales. Current Turkish legislation also fails to address most favored customer clauses in vertical agreements. The proposed amendments aim to address these deficiencies by providing enhanced guidance information, to assist understanding and interpretation. The public can submit comments on the proposals to the Turkish Competition Authority until 11 September 2017.

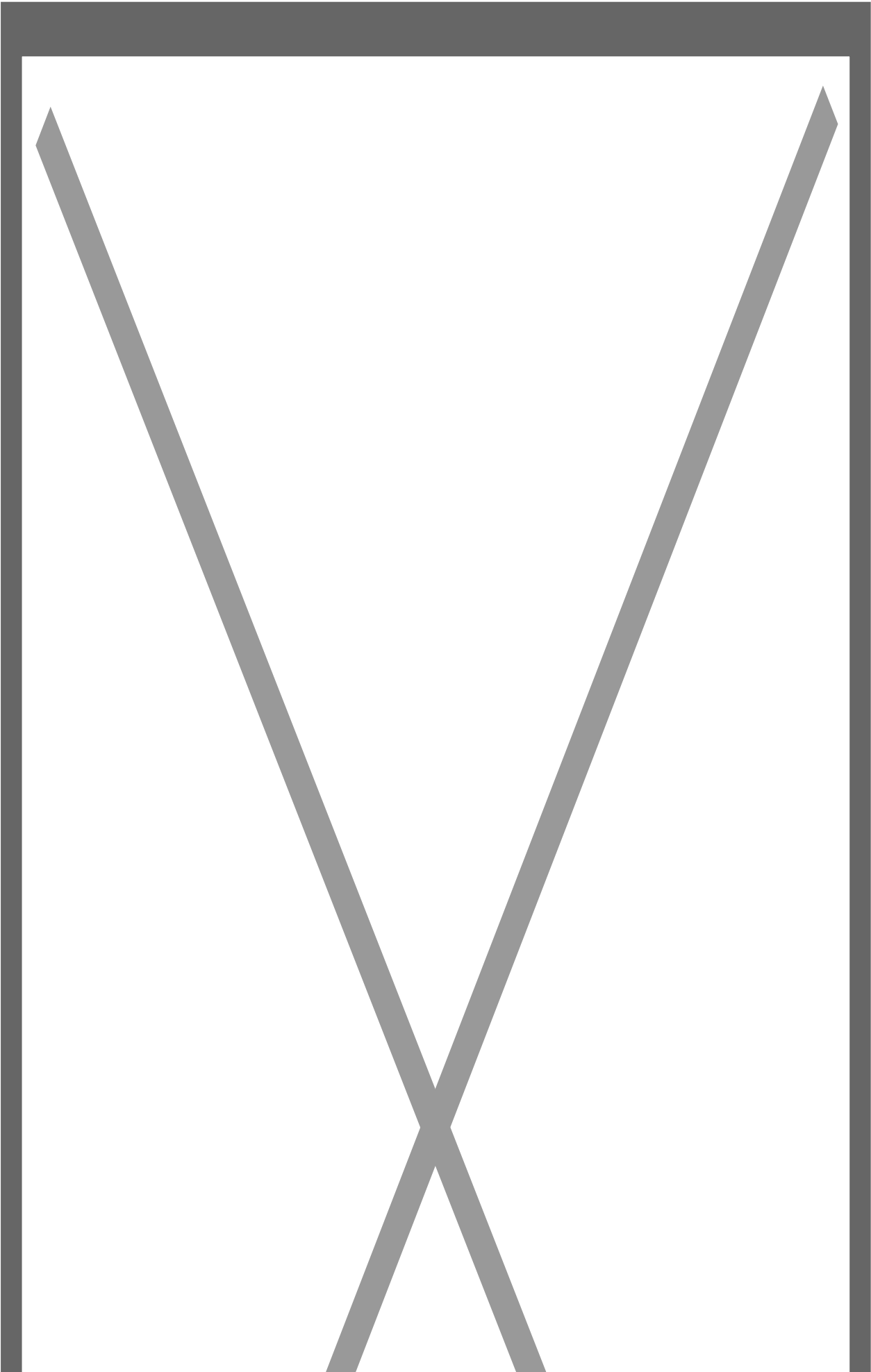
The internet's development as a distribution channel enables consumers to easily reach a large amount of information, compare prices, as well as access more products and sellers. On the other hand, it also enables producers to market products at lower costs and to wider geography. Accordingly, the internet is accepted to provide a more intense competitive environment than traditional sales channels. Global discussions have increased in recent years about the role of competition law in striking the balance between protecting the benefits offered by the internet, vis-à-vis producers' commercial interests.

The European Commission revealed its approach to the issue in 2010 via the Regulation on Block Exemption (numbered 330/2010) and related guidelines. With these amendments, the Commission identified new prohibitions on online sales, as well as addressed vertical restrictions. These restrictions addressed permitted restrictions to eliminate producers' concerns about brand image and freeriding. The substance of the proposed additions is largely in line with the European approach, as is developed to date under European Commission decisions and guidelines.

A translation of the proposed amendments and additions to the Turkish vertical agreement guidelines is below.

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Related Practices

- Antitrust and Competition
- Commercial Contracts
- Distribution, Franchising and Agency Agreements