

## The Law Amending the Enforcement and Bankruptcy Law and Certain Laws is Published

24 Dec 2021

Law numbered 7343 on the Amendments to the Enforcement and Bankruptcy Law and Certain Laws ("**Amendment Law**") was published in Official Gazette dated 30 November 2021 and numbered 31675 and entered into effect on the same day. With the Amendment Law, fundamental changes on the organizational structure of execution offices as well as procedures of postponement of execution, and sale, valuation and tender of seized properties were introduced within the scope of Enforcement and Bankruptcy Law numbered 2004 ("**EBL**").

Some remarkable amendments in the Amendment Law are summarized below:

- Article 3/a added to the EBL and the amendments made to article 1, article 4 and article 13 of the EBL allow appointment of a head execution director to increase efficiency and to regulate the organization of execution offices which has excessive workload and whose personnel number are high. The amendment also allows establishment of Directorate of Execution Office in such provinces.
- As per the amendment made to article 36 of the EBL, the court to decide on the postponement of execution is determined as the execution court in where the execution proceedings are commenced, instead of the Regional Court of Justice or the Court of Appeal. In addition, it has been clarified that if the Regional Court of Justice dismisses the application on the merits and the decision is subject to appeal, the effect of postponement will continue until the end of the expiry of appeal period before the Court of Appeal.
- The amendment made to article 87 of the EBL annuls the execution officers' authority of valuation of seized properties registered in an official registry. If such properties are seized, the valuation will be made by the experts who are registered under the regional expert board seizure *ex officio* without the parties' request.
- In accordance with the amendment to article 106 of the EBL, the prescription period of requesting the sale of seized movables is increased to 1 year from seizure, as similar to immovables. Moreover, the debtors have been granted the right to request sale of seized properties. Also, it has become obligatory to deposit the valuation and sales expenses in advance with the sales request.
- Pursuant to the amendment made to article 111 of the EBL, agreements to be concluded between the creditor and the debtor regarding the payment of the debt in installments are exempted from stamp duty.
- As per article 111/a added to the EBL, the debtors have been granted the right to sell their seized properties themselves. The condition is that the sale price should be more than 90% of the estimated value of the property or the sum of the receivables secured by that property and that have priority over the receivables of the person requesting the sale, whichever is higher, plus the sum of the execution costs incurred for the property up until that stage.
- In line with the amendments to article 111, article 114, article 115 and other various articles of the EBL, forced sales of both movables and immovables by tender will take place in an electronic platform. The amount of security deposit for participation in the tender has been reduced from 20% to 10% of the property's value.
- Pursuant to the amendment to article 134 of the EBL, if a seized immovable is subject to forced sale, the winning tenderer may request the person who uses the immovable due to a rental agreement or another legal reason to pay the rent or monthly usage fee determined by the expert to the execution office. In such case, the execution office will issue a payment order to the relevant person.
- As per the amendment to article 142/a of the EBL, the creditors who are notified of the list of creditors may collect the amount corresponding to their share by depositing an indefinite term bank guarantee letter, even if there is no objection or complaint against the list of creditors.

Please find the full text of the Amendment Law [here](#). (Only available in Turkish)

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