

The Procedures and Principles for the Sale of Seized Goods via Virtual Auction have been Determined

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The Regulation on the Procedure for Sales to be Made in the Electronic Environment pursuant to the Enforcement and Bankruptcy Law, and the Regulation Amending the Enforcement and Bankruptcy Law Regulation ("**Regulations**") were published in Official Gazette dated 8 March 2022 and numbered 31772, entering into force on the same day.

The Regulation on the Procedure for Sales to be Made in the Electronic Environment pursuant to the Enforcement and Bankruptcy Law determines the procedures and principles regarding the auctions to be held within the scope of the Execution and Bankruptcy Law numbered 2004 via the Electronic Sales Portal integrated with the National Judiciary Network Information System.

The Regulation Amending the Enforcement and Bankruptcy Law, on the other hand, introduced amendments to the articles regarding the electronic sales practice.

In accordance with the procedures and principles set by the Regulations, the sales will be carried out as follows:

- In auctions; it is obligatory to use the auction specifications of movable and immovable properties, auction advertisements made in electronic sales environment, newspaper advertisements, and the results of the auction as hard copies. The specification shall contain the basic information of the movable or immovable property.
- In order to participate in the auction, a cash collateral amounting to 10% of the estimated value of the seized property must be deposited via the Electronic Sales Portal to the bank account of the enforcement office that carry out the sale, until 23:30 the day before the end of the auction period. In case the collateral is deposited in the form of a bank guarantee letter, it will be submitted to the enforcement office by hand or electronically, if the system infrastructure is established, until the end of the business day before the end of the auction period.
- Bidding period in the auction is 7 days. The difference between the offers given cannot be less than 1 per thousand of the estimated value of the goods sold and 100 Turkish Liras. The highest bidder will not be able to withdraw his bid and receive a refund unless a higher bid is made within the bidding period. If a new bid is placed within the last 10 minutes of the auction period, the auction will be extended for an additional 10 minutes, for once.
- The sales request cannot be withdrawn after the bidding period has started. If the debt is fully paid by the end of the bidding period, the sale process will be stopped.
- The first and second auctions will be started at 50% of the estimated value of the seized property on the day and time determined by the executive director in the announcement. The relevant good will be awarded to the highest bidder if the conditions are met.
- If the bidder with the highest bid does not pay the tender price, the security deposit received will not be refunded and will be deducted from the sales costs. If any balance remains, the remaining portion will be paid to the beneficiaries in return for their receivables.
- While the auction is continuing, the cash collateral will be returned to the bidder, if a higher bid is placed and the bidder requests the return before the auction is concluded. Cash collateral deposited by the participants other than the highest bidder will be returned via the National Judicial Network Information System after the auction result report is announced on the Electronic Sales Portal. In order to withdraw the letter of guarantee, it is necessary to apply to the enforcement office.
- As a result of the first auction, the auction announcement will be removed from the Electronic Sales Portal as of the date of payment of the tender price. If the tender price is not paid, the relevant advertisement will be kept accessible until the end of the second auction.

- On the first business day following the end of the auction, minutes will be drawn up by the executive director regarding the result of the auction and the information in the minutes will be announced on the Electronic Sales Portal on the same day. Information such as the date and time of the completion of the tender, the tender of the goods to the highest bidder if the conditions are met, the fact that the tender price must be deposited in the account of the enforcement office within 7 days from the announcement of the minutes, and the reason why the tender cannot be made if the conditions are not met shall be clearly stated in the minutes.
- Even if the bidder makes a request for the termination of the tender, he/she must pay the sales price to the account of the relevant enforcement office within 7 days from the announcement of the minutes. The sold goods will not be delivered before the tender is finalized.
- In case of cancellation of the tender due to failure to reach the minimum tender price or failure of the highest bidder to deposit the price, a second auction will be held under the same conditions as applied the first auction.
- If the buyer does not come out or the conditions are not fulfilled, the creditor will be able to request that the sales day be given within the sales request period remaining from the previous sales request. The sales request period will stop with the sales request. The suspended period will start to run from where it left off as of the date of the report stating that the tender could not be made or cancelled.

The aforementioned procedures and principles will be applied to the auctions to be announced as of the date determined in the provinces or districts where the electronic sales application will be announced by the Ministry's official website. Throughout the country, it will be applied to the auctions that will be announced at the end of one year at the latest from the date of entry into force.

In line with the new system, the Execution and Bankruptcy Law Regulation has been re-arranged regarding the mandatory hard copy papers to be used for enforcement and bankruptcy works, and some provisions have been abrogated. Again, in provinces and districts where electronic sales are not implemented yet, the abrogated provisions will continue to apply until electronic sales are implemented.

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