

The Turkish Energy Market Regulatory Authority has Published the Regulation on Measures Regarding Natural Gas Market Distribution Licenses

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The Regulation on Measures Regarding Natural Gas Market Distribution Licenses ("**Regulation**"), prepared by the Turkish Energy Market Regulatory Authority ("**EMRA**"), has been published on 19 August 2023, and entered into force as of its publication date.

The Regulation consists of measures to be taken to prevent disruptions in natural gas distribution service and to protect consumers by identifying in advance the situations that may prevent the delivery of natural gas to consumers in a quality, continuous, affordable, and environmentally sound manner within the framework of competitive principles.

The Regulation specifies the procedures and principles in relation to measures to be taken for the protection of natural gas consumers, the cancellation of the distribution licenses, the sale of the network, the tender to be held to determine the new license holder, and the transfer of the network.

The explanations within the scope of the Regulation are briefly as follows:

- Circumstances that may require taking measures to protect consumers and prevent service disruptions are regulated. In this regard, the Energy Market Regulatory Board ("**Board**") may decide to take measures against the distribution company in order to prevent service disruption and protect consumers.
- The Regulation contains detailed procedures for managing the process for determining whether it has become mandatory to take measures against the distribution company and in relation to the measures that can be taken against the distribution company.
- In case the Board decides to take measures against the distribution company, it will also decide to launch an investigation to determine whether the distribution license should be cancelled. The investigation launched by the Board will be conducted and finalized as soon as possible in accordance with the provisions of the Regulation on the Procedures and Principles to be Followed in Audits, Preliminary Inquiries and Investigations to be Conducted in the Natural Gas Market ("**Audit Regulation**"), published in the Official Gazette dated 28 January 2003 and numbered 25007.
- In case it is determined that license cancellation has become mandatory as a result of the investigation conducted in accordance with the Audit Regulation as per the Regulation, the distribution license will be cancelled at the end of the period specified in the Board decision.
- As per the Regulation, if the Board decides to cancel the license, a tender commission will be established to hold a network sales tender within one hundred and twenty days and carry out other transactions. The Regulation also outlines the series of other actions to be taken after the Board decides to cancel the license, as well as the timeframes to be followed.
- In addition, according to the Regulation, the distribution company may obtain services from real or legal persons with the approval of the Chairman of the Board ("**Presidential Approval**") in order to carry out all processes within the scope of the Regulation and to fully and completely perform the distribution activities. Within this framework, the real and legal persons from whom services are provided will be liable to EMRA throughout these activities and will be obliged to compensate EMRA for damages and losses incurred from their own faults.

The Regulation also includes detailed provisions on the following issues: the former license holder's duties and responsibilities, the conditions and procedures for tender participation, the preparation of the tender document, the

minimum elements to be incorporated into the tender announcement regarding the transfer agreement, the transfer agreement and the transmission of the network sale price, and the handover of the network to the new license holder.

The full text of the Regulation can be reached via [this link](#). (Only available in Turkish)

Related Attorneys

- [BURCU TUZCU ERS?N, LL.M.](#)
- [C. HAZAL BAYDAR, LL.M.](#)

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