

Turkey Amends Natural Gas License Regime

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Turkey's Energy Market Regulatory Authority ("**Authority**") has amended certain rules for natural gas licenses, including rules for merging distribution regions into a single license, determining license-exempt activities and natural gas storage obligations.

The Regulation Amending the Natural Gas Market License Regulation ("**Amendment Regulation**") was published in Official Gazette number 29865 on 23 November 2016. The Amendment Regulation makes changes to the Natural Gas Market License Regulation ("**Regulation**") published in Official Gazette number 24869 on 7 September 2002.

Significant changes made by the Amendment Regulation include:

- Companies which are not engaged in selling natural gas but use compressed natural gas (CNG) as fuel in their own vehicles are exempt from being required to obtain a license, provided they comply with certain technical criteria and meet obligations arising under other legislation (for example, obtaining necessary permissions, licenses and approval).
- License holder can now request distribution zones be merged into a single license, or existing distribution zones be divided into multiple zones. To do so, the Energy Market Regulatory Board ("**Board**") must find the change technically and economically feasible. The Board will consider network integrity and regional proximity in terms of operational efficiency when considering merger requests.
- The Board has discretion to set the natural gas storage obligation ratio for underground gas storage which will apply to import companies (to be reached within five years) if the national natural gas storage capacity is sufficient to enable all natural gas import companies to comply with their annual natural gas storage requirements. The ratio must not exceed 20% of the total gas to be imported within a specific year. Existing underground storage capacity will be considered when determining the ratio.
- Amendment fees will no longer apply to change a license holder's commercial title, or change of company type (excludes import, storage and distribution licenses). Changes to the commercial title or company type for the direct shareholders of the license holder also become exempt from license amendment fees.
- License holders must now separately pay amendment fees for each license amendment if the license holder asks to amend more than one item in its license. Separate fees apply even if multiple changes are requested in a single application.
- License holders must advise changes to their notification address in writing to the Authority at least three days before the change occurs.
- Submission of criminal records to the Board is no longer required for share transfers of the license holders by:
 - A real person holding more than 10% in the transferee company.
 - All real person transferees.

Please see this [link](#) for the full text of the Amendment Regulation (only available in Turkish).

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