

Turkey Extended the Deadline regarding Restriction of Distribution of Profit due to COVID-19 Pandemic Until 31 December 2020

24 Sep 2020

Provisional Article 13 regarding restriction of the distribution of profit has been added to the Turkish Commercial Code numbered 6102 ("TCC") [by the Law numbered 7244](#). The implementation of this article was extended for three more months as of 30 September 2020 pursuant to the Presidential Decree ("Decree") numbered 2948 published in the Official Gazette numbered 31248 and dated 18 September 2020.

In this regard; it is stipulated that until 31 December 2020,

- commercial companies may decide to distribute up to 25% of their net distributable profit for the financial year 2019;
- commercial companies shall not distribute previous years' profits or any distributable capital reserves; and
- the general assembly shall not authorize the board of directors for advance profit distribution.

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

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