

Turkish Vertical Block Exemption Regime Mirrored EU: A New Market Share Threshold

5 Nov 2021

In accordance with Communiqué No. 2021/4 Amending the Block Exemption Communiqué on Vertical Agreements ("**Amendments Communiqué**") published in the Official Gazette on 5 November 2021 with number 31650, the market share threshold in the Block Exemption Communiqué No. 2002/2 on Vertical Agreements ("**Communiqué No. 2002/2**") is lowered from 40 to 30% similar to the regulation in the European Union.

Previously, a vertical agreement used to benefit from the block exemption in case the market share of the supplier in the relevant market concerning the supplied goods or services is below 40%. Same goes for vertical agreements including an obligation to supply to a single buyer, in which case the market share of the buyer in the relevant market should have not exceeded 40%. Now, however, this market share threshold is set from 40 to 30%.

The Amendment Communiqué will affect the undertakings with a market share between 30-40% the most. In fact, the agreements that will cease to benefit from the block exemption must now meet the exemption conditions set out under Article 5 of Law No. 4054 on the Protection of Competition ("**Law No. 4054**") within 6 months as of the date of effect of the Amendments Communiqué. Otherwise, this may result in the violation of Article 4 of Law No. 4054.

In addition, in accordance with the Amendment Communiqué, if an undertaking's market share is below 30% at the beginning but later rises between 30-35%, the block exemption will continue to be valid for the next two years following the year the market share threshold was first exceeded. If, however, the market share exceeds 35%, the block exemption will continue to be valid throughout the year following the year in which the market share threshold was first exceeded.

With this amendment, undertakings are required to re-examine their vertical agreements to see whether they still benefit from the block exemption. The deadline for this compliance check will end on May 5, 2022. This period is important also for the timing of individual exemption filings before the Turkish Competition Authority, if it is deemed necessary.

As more undertakings will fail to meet the updated block exemption criteria now, the number of individual exemption filings as well as the workload of the Turkish Competition Authority are expected to increase.

Related Practices

- [Antitrust and Competition](#)

Related Attorneys

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