

AMENDMENTS AT THE TURKISH COMMERCIAL CODE

May 2024



The Law No. 7511, amending the Turkish Commercial Code and Some Other Laws, published in the Official Gazette dated 29 May 2024, brought new provisions and certain amendments to the Turkish Commercial Code No. 6102;

- (a) The requirement to elect the chairman and vice chairman of the board of directors every year is removed, and it is now possible to make the distribution of duties of the board of directors in line with their terms of office.
- (b) The power to appoint and dismiss branch managers is no longer among the non-transferable duties and powers of the board of directors, and delegation of this power is currently allowed.
- (c) While the authority to call a board meeting, principally, was only given to the chairman or in his absence vice-chairman of the board, with the amendment, the majority of the members may request a meeting from the chairman who is required to convene the board meeting within 30 days following the receipt of written request. If the chairman fails to do so within this period or chairman or vice-chairman cannot be reached out, the majority can directly call the board for a meeting. Meeting and decision quorum are the same as other board meetings. It is possible to determine alternative call processes in the articles of associations.
- (d) Companies with share capital below the minimum capital amount, required for companies to be established after 1 January 2024 (TRY 250,000 for joint-stock companies and TRY 50,000 for limited liability companies) must also increase their share capital in accordance with the new capital requirements, until 31 December 2026. Otherwise, they shall be deemed to have dissolved. In addition, if non-public joint stock companies with registered capital doesn't increase their initial and issued capital to TRY 500,000 until 31 December 2026, they shall be considered to have exited from the registered capital system. In the relevant general assembly meetings, no meeting quorum is required, and the decision quorum shall be the majority of the existing votes, and no rights of preferred shares can be exercised.

If you have any questions regarding matters discussed in this Alert, please contact us at:

T: +90 212 324 2710

info@ozel.av.tr

www.ozel.av.tr

Özel ve Özel, Attorneys at Law
Büyükdere Cad. 151
C Blok Kat 6 D: 44
Zincirlikuyu 34394 İstanbul

These changes entered into force as of 29 May 2024.

This Alert is the property of Özel & Özel for educational and informational purposes only and is not intended and should not be construed as legal advice with respect to any matter or set of facts and may not be relied upon for any purposes. It is hereby advised to seek proper legal advice before taking any action in relation to matters discussed herein. No part of this Alert may be copied or quoted without the prior written consent of Özel & Özel. All rights reserved. 2024