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## APPLICABLE LAW AT EMPLOYMENT CONTRACTS IS NO LONGER A CHOICE



As per the judgement of the Constitutional Court, dated 5 November 2024, registration no: 2023/158, judgement no: 2024/187, published in the Official Gazette on 10 March 2025, Article 27/1 of Law No. 5718 on Private International Law and Procedural Law has been annulled.

The annulled paragraph stipulated that applicable law would be chosen by the parties at employment contracts containing foreign element however, subject to the mandatory legal rules of the country, where the employee works. This possibility is not optional anymore.

The Judgement of the Constitutional Court is as follows (in summary):

- it is the responsibility of the state to protect the balance of interests between employees and employers,
- if applicable law is not an option it is possible to apply the law that is more closely related to the contract, otherwise, choice of law may cause certain negative consequences on the employee,
- it would be difficult, in principle, for employees to negotiate with employer to apply the law in her/his favor,
- the annulled provision does not provide a fair balance in employee-employer relations and is incompatible with the obligation of state to protect employees.

For the reasons mentioned above, the Constitutional Court found the relevant provision contrary to Article 49 of the Constitution, which regulates the right and duty to work, and annulled it.

The annulment decision will enter into force on 10 September 2025.

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

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