

INSOL Europe/LexisNexis coronavirus (COVID-19) Tracker of Insolvency Reforms—Turkey

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Restructuring & Insolvency analysis: We look at the reforms to the insolvency law of Turkey prompted by the coronavirus (COVID-19) pandemic. Written by Burak Baydar from the law firm Moroğlu Arseven, member of INSOL Europe.

Amendments to enforcement and bankruptcy proceedings due to the coronavirus COVID-19 pandemic

As regards enforcement and bankruptcy proceedings, the Presidential Decree dated 21 March 2020 and numbered 2279 ('Decree') was published in the Official Gazette number 31076 dated 22 March 2020. Under the Decree, all enforcement and bankruptcy proceedings except those for alimony receivables shall be suspended until 30 April 2020. In this regard, requests to initiate enforcement and bankruptcy proceedings shall not be allowed and a preliminary injunction decision shall not be enforced or executed.

Turkey's Ministry of Justice has issued a circular dated 24 March 2020 to clarify the matters regulated in the Decree and to ensure consistency in practice. In this regard:

- enforcement proceedings will be automatically suspended without the need of any decision of the enforcement office
- the payments made to the enforcement offices will be allowed, the payments will be transferred to the creditors in cases where it is understood that the rights of the debtor or third parties will not be violated according to the scope of the file
- registration of any right and assets that have been tendered and finalized before the suspension decision will be completed
- no enforcement orders will be served during the suspension decision, including the enforcement files initiated before the suspension decision
- since all enforcement proceeding to be requested by parties were suspended with the Decree, no objection and request will be received
- since the enforcement and execution of the preliminary injunction decisions rendered before or during suspension period, any and all execution acts will not be realized by the enforcement office
- for sales days previously announced by the enforcement and bankruptcy offices during the suspension period, a new sales day will be announced by the enforcement and bankruptcy offices without seeking a new request after the suspension period ends
- the terms regarding enforcement and bankruptcy proceedings will be stopped until the end of the suspension period during the suspension decision

In addition to the above issues, it is stipulated by the Law that one of the parties shall request any act or transaction in favour of the counter party.

Turkey extends suspension period in court proceedings until 15 June 2020

The Presidential Decree numbered 2480 ('Decree') aiming to prevent any loss of rights in legal proceedings due to the coronavirus (COVID-19) pandemic, was published in the Official Gazette number 31114 on 30 April 2020.

Within the scope of the Decree, all suspension periods stipulated under provisional Article 1 of the Law number 7226 Amending Certain Laws ('Law') excluding the terms for the mandatory administrative applications stipulated under the Public Procurement Law numbered 4734 are extended from 1 May 2020 until 15 June

2020. The Decree also specifies that if the pandemic is brought under control earlier than expected, the suspension decision will be re-evaluated.

In this regard:

- any and all terms regarding the origination, exercise, and termination of any rights, including but not limited to the statute of terms for filing a lawsuit, enforcement proceedings, complaints, objections, warnings, notices, submissions and statute of limitations and mandatory administrative application terms
- terms regulated under Administrative Procedure Law, Criminal Procedure Law, Civil Procedure Law, and other procedural law
- terms in mediation and reconciliation proceedings, and
- terms regulated in the Enforcement and Bankruptcy Law and other laws related to the enforcement proceedings and the terms ruled by the judge or the enforcement and bankruptcy offices; and all enforcement and bankruptcy proceedings, all enforcement requests, submissions of new enforcement and bankruptcy proceeding requests and procedures regarding enforcement and execution of preliminary injunction decisions

are suspended until 15 June 2020.

INSOL Europe/LexisNexis Coronavirus Tracker of Insolvency Reforms

A tracker of insolvency reforms globally produced by Lexis Nexis in partnership with INSOL Europe is now available: [Coronavirus \(COVID-19\) Tracker of insolvency reforms globally](#).



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We look at various countries worldwide which are expediting reforms to their restructuring and insolvency laws, temporarily suspending onerous insolvency law provisions, increasing limits for statutory demands, suspending enforcement powers and introducing other measures to deal with the coronavirus crisis. As the situation is rapidly evolving with more countries adding new measures daily, you should contact local lawyers in the relevant jurisdiction to check the current measures in force.