

DÜNDAR SIR

LAW FIRM

LEGAL UPDATES – QUARTERLY 2024-I

I. Corporate Law

Substantial amendments have been made to the regulatory framework safeguarding the value of the Turkish Lira since 2018, particularly affecting contracts denominated in or indexed to foreign currencies. The latest amendment, published in the Official Gazette on February 28, 2024, introduces specific exemptions allowing certain payments and retroactive obligations in movable property sale contracts to be denominated in foreign currency, thereby providing more flexibility in commercial transactions.

II. Personal Data Protection Law

Significant amendments have been made to the Personal Data Protection Law (Law No. 6698) on March 12, 2024. These amendments expand the conditions under which special categories of personal data may be processed and introduce a new framework for the international transfer of personal data. These regulations facilitate the transfer of personal data by globally operating companies, provided they meet the adequacy requirements specified in the law.

Additionally, the jurisdiction for legal challenges against administrative fines imposed by the Personal Data Protection Board has been officially assigned to administrative courts.

III. Procedural Law

The Enactment of Law No. 7499, as detailed in the Official Gazette on March 12, 2024, has introduced key reforms to procedural law, particularly amending the Code of Criminal Procedure among other codes of law. These reforms standardize the appeal periods for objections, regional courts of justice appeals, and Court of Cassation appeals to two weeks, enhancing consistency and fairness in legal processes. Additionally, the initiation of legal remedy periods now begins with the delivery of the reasoned decision rather than the in-court announcement, ensuring clarity and giving all parties sufficient time to respond. Set to be implemented on June 1, 2024, these amendments represent a significant advancement in streamlining and modernizing procedural law, improving the overall legal framework's efficiency and accessibility.

IV. Tax Law

A noteworthy exemption has been introduced, granting a 50% earnings exemption to companies not based in Türkiye, under certain conditions. Furthermore, the exemption rate for revenues from services such as architecture, engineering, software, design, and other services provided abroad has been increased from 50% to 80%. Significant regulations have also been enacted to provide VAT exemptions under certain conditions for the sale of residential and commercial properties to foreign individuals and entities, including Turkish citizens residing abroad.

V. Labor Law

The 9th Civil Chamber of the Court of Cassation has issued a pivotal ruling concerning the mandatory mediation process in employment disputes. This ruling clarifies that should a new lawsuit be filed on the same employment claims where mediation has already been conducted, there is no obligation to undergo the mediation process again, thus streamlining the legal proceedings in labor disputes.

VI. IT Law

The International Organization for Standardization (“ISO”) has released the ISO/IEC 42001:2023 standard for Artificial Intelligence Management Systems in Information Technology. This standard, addressing the escalating potential risks associated with the rapid advancement of AI, sets forth guidelines covering a wide range of critical issues from the transparency of automated decision-making systems to data management and the oversight of autonomous AI systems, thereby aiming to mitigate the associated risks and establish a robust governance framework for AI technologies. This proactive approach aims to ensure that the deployment and utilization of AI are conducted in a responsible, ethical, and transparent manner, safeguarding against potential misuse and ensuring that AI technologies serve the public good while respecting individual rights and privacy.

(For more information, please contact us via e-mail sdundar@dundarsir.com)