



## Legal Newsletter Q2/2015

Read below the latest legal developments in Turkey. This latest roundup provides insight on the latest amended and repealed laws and regulations affecting different sectors. To discuss how these developments affect your business interests please contact Fethi Pekin, Managing Partner. Email: [fpekin@pekin-pekin.com](mailto:fpekin@pekin-pekin.com)



## BANKING & FINANCE

### First Licences issued by the Central Bank of the Republic of Turkey for Payment Services and Clearing Systems

The Central Bank of the Republic of Turkey (the "**Central Bank**") issued a number of licences on June 12, 2015 (published in the Official Gazette dated June 19, 2015 and numbered 29391) to various companies that will be operating as payment services and/or clearing systems companies.

Istanbul Takas ve Saklama Bankası A.Ş. (known as Takasbank) was granted a license as a system operator to operate the "Stock Market Clearance System" which has been established for clearance and settlement of the transactions taking place in the stock market and developing enterprises market within Borsa Istanbul A.Ş. ("**Istanbul Stock Exchange**") and the "Debt Instruments Market Clearance System" which has been established for clearance and settlement of the transactions taking place in the debt instruments market of the Istanbul Stock Exchange.

Bankalararası Kart Merkezi A.Ş. (the Interbank Card Center) was also granted a license as a system operator to operate the "Local Clearance and Settlement System" which has been established for clearance and settlement by banks of the transactions related to bank cards and credit cards.

Another system operator license was granted to Merkezi Kayıt Kuruluşu A.Ş. (Central Registration Institution) to operate the "Central Registered System" which has been established for clearance and settlement of the security transfer transactions.

Furthermore, Garanti Ödeme Sistemleri A.Ş. was granted a license as a system operator to operate the "TakasNet System" which has been established for the clearance and settlement of the transactions concluded with bank cards and credit cards issued under the trademark of "Bonus" and/or through POS devices bearing "Bonus" features.

Lastly, Clearance Rooms Center (Takas Odaları Merkezi) was granted a license to operate the "Cheque Clearance System", which has been established for the clearing

and settlement of the transactions on registered payment of cheques between banks.

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### **Amendment to the Decree No.32 regarding the Protection of the Value of Turkish Currency**

As per the amendment to Articles 3 and 4 of the Decree, taking cash and other payment instruments out of Turkey has been set free whereas before cash and other payment instruments that were worth more than USD 5,000 could only be transferred abroad via banks. Transfer of cash in Turkish Lira exceeding TL 25,000 and transfer of cash denominated in foreign currency exceeding EUR 10,000 have been made subject to further requirements and procedures that will in the near future be announced by the Prime Ministry.

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### **BRSA has introduced the Regulation on Independent Auditing in Banks**

The Banking Regulation and Supervision Agency ("**BRSA**") has issued the Regulation on Independent Auditing in Banks (published in the Official Gazette dated April 2, 2015 and numbered 29314) (the "**Independent Audit Regulation**"); which abolished the Regulation on Authorization and Activities of Institutions to Perform External Audit in Banks.

The Independent Audit Regulation contains the methods and principles on the authorization, temporary or permanent revocation of the independent audit institutions and audit activities to be conducted in banks by authorized institutions. In comparison with the former regulation, the Regulation requires different conditions for the independent audit institutions to obtain authorization from the BRSA. These conditions include, without limitation, the following: (i) independent audit institutions shall include at least two separate independent audit teams; and (ii) the foreign institutions with which Turkish independent audit institutions are legally connected shall not be prohibited from conducting independent audit activities. The Independent Audit Regulation also sets forth eligibility criteria for shareholders, key managers and independent auditors of the independent audit institutions.

Provisional Clause 1 sets a one year transition period for the institutions authorized within the context of the former regulation to fulfil the condition of employing sufficient number of auditors to establish at least two different audit teams.

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### **Amendment to the Communiqué on Reserve Requirements (No:2013/15)**

As per the amendment to Article 4 of the Communiqué No: 2013/15, credits extended by offshore branches of banks and financing companies established in Turkey have been removed from the list of balance sheet items for which reserves need to be allocated. With the introduction of a second paragraph to the respective Article, the credits extended by offshore branches to persons resident abroad (excluding foreign banks and institutions authorized to extend credits) have been designated as a discount item with respect to calculation of the total amount subject to reserve requirements.

In addition, due to the amendment, the following balance sheet items of the offshore

branches of Turkish banks and financing companies will become subject to reserve requirements:

1. Deposits/participation funds (before the amendment, only the deposits/participation funds of Turkish residents at offshore branches were subject to reserve requirements; however, with the introduction of the amendment, deposits/participation funds at offshore branches and belonging to persons resident abroad are also subject to reserve requirements)
2. Funds generated from repo transactions
3. Utilized credits (excluding the ones made available through Treasury guarantee)
4. Issued securities
5. Debt instruments not included in the capital calculation
6. Obligations against the foreign head office
7. Debts arising from credit card payments

Pursuant to Article 5, the present obligations, which are due to the amendment for the first time subject to reserve requirements, as of the date of May 29, 2015 shall not be considered as the obligations subject to reserve requirements until their date of maturity.

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## **Regulation on Housing Finance Agreements and the Regulation on Consumer Loan Agreements have been introduced**

The Regulation on Housing Finance Agreements (published in the Official Gazette dated May 28, 2015 and numbered 29369) (the "**Housing Finance Regulation**") and the Regulation on Consumer Loan Agreements (published in the Official Gazette dated May 22, 2015 and numbered 29363 (the "**Consumer Loan Regulation**") have been issued by the Ministry of Customs and Trade. The Consumer Loan Regulation and the Housing Finance Regulation will hereinafter be referred to as the "**Regulations**". The Regulations include provisions on conditions for validity of pre-payment, interim payment, event of default, right of withdrawal, suretyship and termination under the consumer loan agreements and housing finance agreements.

The main protection granted to consumers under the consumer protection legislation is with respect to the preparation and execution of consumer agreements. The Regulations envisage that the written form is a validity condition for the consumer agreements and lenders are obliged to inform consumers of the terms and conditions of the consumer agreements beforehand by providing them with preliminary information forms prior to signing.

The Regulations prohibit lenders from (i) applying default interest at a rate more than 30% plus the contractual interest rate; (ii) forcing the consumer to provide insurance as a security in relation to the consumer loan or housing finance agreements; (iii) charging the consumer with fees related to bank accounts opened solely for the purposes of the consumer loan or housing finance agreement; and (iv) opening overdraft accounts without obtaining the approval of the consumer.

Furthermore, the Regulations restrict the termination rights of lenders upon default of the consumers under the consumer loan agreements and housing finance agreements. As

such, lenders are only entitled to terminate the respective agreement due to default if (i) the lender had preserved its right to demand the payment of the total debt amount; (ii) the lender has performed all of its obligations; (iii) the consumer is in default with respect to two consecutive instalment payments; and (iv) the lender has served a default notice to the respective consumer and granted a grace period of at least 30 days.

Consumers are entitled to make pre-payment of the amounts owed under the consumer loan agreements and housing finance agreements before their maturity date.

Accordingly, consumers shall not be charged with any amounts under any name due to prepayment under a consumer loan agreement or a housing finance agreement with a floating interest rate. However; lenders offering housing finance agreements are entitled to request a pre-payment compensation from the consumer if the respective agreement bears fixed interest.

In addition, the Regulations strictly prohibit the amendment of the provisions of fixed term consumer agreements in a detrimental manner for the consumer. For example, the interest rate shall be determined as a fixed rate under fixed term consumer loan agreements and shall not be changed during the term of such agreement. As such, in the event that the interest rates under consumer loan agreements without a fixed term are to be increased, the consumers shall be informed in a written form of the respective changes 30 days prior to the effective date of such change. As per Article 13 of the Consumer Loan Regulation, the consumers are entitled to terminate the agreements within 60 days following the date of such information. The interest rate of housing finance agreements, on the other hand, can be determined as a (i) fixed rate; (ii) floating rate; or as a (iii) combination of these rates. The fixed interest rate determined at the signing of the agreement can be increased with the mutual consent of the parties, as per Article 14 of the Housing Finance Regulation.

Lastly, Article 24 of the Consumer Loan Regulation states that consumers shall have the right of withdrawal from the consumer loan agreements within 14 days without the necessity to provide any just cause or pay any penalties.

The Consumer Loan Regulation enters into force on November 22, 2015 and the Housing Finance Regulation enters into force on November 28, 2015.

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## **Amendment to the Regulation on Payment Services and Electronic Money Issuance and Payment Institutions and Electronic Money Institutions**

The BRSA has amended the Regulation on Principles for Establishment and Operations of Asset Management Companies (the "**Regulation**") (published in the Official Gazette dated April 2, 2015 and numbered 29314).

Pursuant to the amended version of Article 13, the BRSA is entitled to require asset management companies to take any necessary measures in the event that a condition which may adversely affect the financial status of the relevant asset management company is detected as a result of the independent audit of the respective asset management company which has been conducted within the framework of the Turkish Commercial Code numbered 6102 and the Decree Law on Organization and Duties of the

Public Oversight Accounting and Auditing Standards Board numbered 660 dated September 26, 2011 and all other applicable law. Such measures shall be taken and implemented by the asset management companies within the time periods specified by the BRSA.

With respect to the amendment made on Article 14 of the Regulation, asset management companies shall provide all necessary information and documents for on-site supervision and shall entrust all required documents if necessary. Independent audit reports pertaining nonconsolidated financial statements of asset management companies shall also be submitted to the BRSA until April 15 of the year following the respective term of the reports.

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### **Required Reserves to be Allocated by Financial Leasing, Factoring and Finance Companies have been amended**

An amendment to the Regulation on the Accounting Principles and Financial Statements of the Financial Leasing, Factoring and Finance Companies (*published in the Official Gazette dated December 24, 2013 and numbered 28861*) has been introduced on June 26, 2015. With the amendment, the general required reserve amount to be allocated by the finance companies with respect to consumer loans other than housing finance loans has been determined as 1% of the loan amount; however if the repayment of the principal amount and/or the interest of such consumer loan is late for at least 30 days (but not more than 90 days), the reserve amount shall be equal to 2% of the loan amount. The amendment further requires that if the proportion of the consumer loans (other than housing finance loans) which are classified as "*Receivables to be Discharged*" and "*Receivables Qualified as Loss*" to the consumer loans (other than housing finance loans) extended by a finance company is greater than 8%, the respective reserve to be allocated by such finance company for the consumer loans shall be calculated as 4% of the loan amount during the term of the respective loan and as 8% if the repayment of the principal and/or the interest of the respective consumer loan is late for at least 30 days, but not more than 90 days. The amendment enters into force following its publication in the Official Gazette, being June 26, 2015.

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### **Regulation regarding the Principles on the Incorporation and Operations of Financial Leasing, Factoring and Finance Companies has been amended**

The Regulation regarding the Principles on the Incorporation and Operations of Financial Leasing, Factoring and Finance Companies (*published in the Official Gazette dated December 31, 2013 and numbered 28627*) has been amended on June 26, 2015 to enter into force immediately. As per the amendment, the "equity capital" definition for the (i) financial leasing companies; (ii) factoring companies; and (iii) finance companies has been altered to cover the required reserves corresponding to a portion up to 125/10,000 of the credits extended by such institution.

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### The Guide Regarding Investment Services, Activities and Investment Institutions

The Communiqué No. III-37.1 on the Principles on Investment Services and Activities and Ancillary Services and the Communiqué No. III-39.1 on the Principles of Establishment and Activities of Investment Institutions regarding the capital market activities of intermediary institutions and banks has become effective from July 1, 2014. "The Guide Regarding Investment Services, Activities and Investment Institutions" (the "**Guide**") regarding the above mentioned Communiqués was accepted and updated as Principle Decision of the Capital Market Board ("**CMB**") dated May 14, 2015.

Certain issues are included in the Guide with respect to the following:

- The notification obligations of the investment institutions during their intermediation in order transmission.
- Application of compatibility and appropriateness tests.
- A transition period is provided to certain personnel with investment services and activities of banks as concerns the license requirements.

### A New Financial Instrument: Shares of Investment Companies with Variable Capital

Within the scope of the Capital Market Law No. 6362 (O.G. December 30, 2012, 28513), the CMB has published Communiqué No. III-48.5 on Principles Regarding Security Investment Companies ("**Communiqué**") (O.G. May 27, 2015, 29368). This Communiqué brought a new financial instrument to the capital markets of Turkey which is shares of investment companies with variable capital.

<sup>1</sup> This percentage was 4% before the amendment.

<sup>2</sup> This percentage was 8% before the amendment.

An Investment Company with Variable Capital ("**ICVC**") is a legal entity which represents an investment company model that provides an opportunity to access the flexibility created by investment funds and that has an open-ended capital structure.

Certain issues covered within the Communiqué include:

- Securities Investment Trusts are composed of two different forms: companies with a fixed capital and companies with a variable capital.
- ICVC can be defined as a capital market institution of which the capital is always equal to its net asset value and which is established in the form of a joint-stock company.
- The shares of ICVC are issued in two forms: founder shares and investor shares.
- The assets and instruments that can be taken into the portfolio of ICVC contain all assets that can be included into the portfolio of securities investment trusts and

securities mutual funds.

- ICVC's shall obtain portfolio management services from a portfolio management company.



## **CORPORATE**

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### **Energy & Natural Resources**

#### **A New Regulation on Waste Management Entered into Force**

The Regulation on Waste Management has been published by the Ministry of Environment and Urban Planning in the Official Gazette dated April 2, 2015 and numbered 29316. The purpose of this Regulation is to determine the general procedures and principles for providing waste management in a manner that no harm is given to the environment and general health of the people from the moment the wastes have been formed until they have been disposed. Moreover, decreasing the formation of wastes, providing waste management in ways such as reuse, recycling and recovery of the wastes and providing the production and market surveillance and inspection of the products within the scope of the Regulation which cause danger to the environment and the general public health. Encouragement for usage of recycled wastes in order to decrease the usage of natural resources and energy constitutes the basis of this Regulation. Furthermore, the Regulation prohibits to collect and separate the wastes other than the procedure as determined by the Ministry. The responsibilities of the manufacturers have been increased as "Broadened Manufacturer Liability" and defined for the first time in the Regulation.

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#### **New Regulation on Hydraulic Structure Audit Services**

A new Regulation on Hydraulic Audit Services has been published by the General Directorate for State Hydraulic Works in the Official Gazette dated May 12, 2015 and numbered 29353. The purpose of the Regulation is to determine the feasibility of the control, approval, examination and audits in the making process of the definite, implementation and end-of-job projects, the purchase of consultancy service regarding the audits, the collection of costs regarding the audit works, the legibility of the companies and personnel to perform the audits which have been appointed by the General Directorate of Hydraulic Works, audit procedures, the duties and liabilities of the General Directorate of Hydraulic Works, investor, designer, contractor, authorized audit firm and the principles and procedures for the application of the sanctions.

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#### **Supply and Sale Restrictions on the Petroleum Market Have Been Amended**

Amendment to the Regulation on Petroleum Market License has been published by the Energy Market Regulatory Authority in the Official Gazette dated May 23, 2015 numbered

29364. With this Amendment Regulation, Article 44, Paragraphs 5 and 6 of the Regulation on Petroleum Market License which has been published in the Official Gazette dated June 17, 2004 numbered 25495 have been amended and as per the new amendment, from now on, the holders of a franchise license which given under the non-station category shall not sale diesel oil, gasoil, jet fuel, petroleum and biodiesel. Accordingly, the following fuel types shall not be supplied to the motor vehicles: gasoil, jet fuel, and fuel oil types.

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### **Required Certificates for Fertilizer Production Have Been Amended**

Amendment to the Regulation on Market Surveillance and Inspection of Fertilizers has been published by the Ministry of Food, Agriculture and Livestock and published in the Official Gazette dated May 24, 2015 numbered 29365. The amendment entails the annexes on the relevant regulation application forms for licence and registration, licence and registration certificate, inspection record for production facility and sampling record.

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## **Insurance**

### **Obligatory Personal Accident Insurance for Mine Workers**

The Communique on Obligatory Personal Accident Insurance for Mine Workers Tariff and Instructions has been published by the Prime Ministry in the Official Gazette dated May 6, 2015 and numbered 29347. Accordingly includes that the real and legal persons who operate in underground and above ground coal mining, underground mining other than coal mining are obligated to take out a policy for the workers for the accidents which may occur during the operation as of the date of publishing of the Communiqué. Furthermore, the warranty amount and net premium per worker has been determined as TL 150,000.00 and TL 700 respectively. In addition to the above it has been regulated that damages which amount to more than TL 1,500,000.00 are to be reassured by the insurance companies to the Extraordinary Risk Management Center which is to be determined by the Undersecretariat of Treasury.

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### **A New Regulation on Insurance and Reinsurance Broker Has Been Published**

A new Regulation on Insurance and Reinsurance Broker has been published by the Undersecretariat of Treasury in the Official Gazette dated May 27, 2015 numbered 29368. The purpose of the Regulation is to regulate the brokerage activities and principles of the brokering. In accordance with the Regulation, a real person broker should be resident in Turkey and the head office of a legal entity broker should be located in Turkey in order to operate brokerage activities. Pursuant to Article 7 of the Regulation, brokers who are not established in Turkey may engage in brokerage activities by opening a branch office in Turkey. As per Article 12, following the application, the Undersecretariat of Treasury shall evaluate the application and give the authorization certificate if the applicant complies with the requirements as stated under the Regulation. According to Article 15 of the Regulation, the brokering authorization certificate executed in favor of the broker by the represented party should explicitly state the scope of authority. Moreover, the directors

of legal entity brokers should comply with minimum standards of education and business experience which have been stipulated under Annex 1 of the Regulation.

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## **Real Estate**

### **Permits Regarding Utilization of Forestry Lands for Exceptional Sectorial Facilities Has Been Amended**

Amendment to the Regulation Regarding Implementation of Articles 17/3 and 18 of the Forestry Law has been published by the Ministry of Forestry and Water Affairs in the Official Gazette dated May 20, 2015 and numbered 29361. With this Amendment Regulation, the application procedure for utilizing forestry lands under the Regulation on Implementation of Article 17/3 and Article 18 of the Forestry Law which has been published in the Official Gazette dated April 18, 2014 and numbered 28976 has been amended. As per Article 1 of the Amendment Regulation, the applicant should apply to the Energy Market Regulatory Authority in order to obtain a preliminary permit. After obtaining the preliminary permit, the applicant should prepare and submit the documentation required under this Regulation for obtaining the final permit. Upon its evaluation of the applications for the final permit, the Ministry of Forestry and Water Affairs may serve the final permit notification to qualified applicants or decide to extend the preliminary permit period.

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### **Amendment to the Application Regulation of Article 16 of Forestry Law**

Regulation Regarding the Amendment to the Application Regulation of Article 16 of Forestry Law has been published by the Ministry of Forestry and Water Affairs in the Official Gazette dated April 19, 2015 and numbered 29331. Accordingly, in research which do not require excavation, the regional directorate is to provide a document to the applicant which has all required documents in mineral exploration. The applicant may therefore make research which does not require any excavation with such document. It may be allowed to perform the research with a drilling core upon giving a warranty to the administration. In addition to the above, signs which are minimum 2 meters higher than the ground and which are at most 25 meters apart from each other are to be installed by the licensee before the start of the mining activities.

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## **General Corporate**

### **Sampling and Inspection Fees Have Been Amended**

Amendment to the Regulation on Market Surveillance and Inspection by the Ministry Of Science, Industry and Technology has been published by the related Ministry in the Official Gazette dated May 16, 2015 numbered 29357. With this Amendment Regulation, Article 8, Paragraphs 2 of the Regulation on Market Surveillance and Inspection by the Ministry Of Science, Industry and Technology in the Official Gazette dated October 2, 2012 numbered 28429 has been amended. The amendment entails that if the samples are found to be unsafe or not complying with the technical regulations, the producer shall pay the sampling and inspection fees billed by the inspection body directly to this inspection

body.

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## **Scope of the Insurance Liability for Hazardous Substances Has Been Amended**

Amendment to the Decree of The Council Of Ministers Regarding the Insurance Liability for Hazardous Substances has been published in the Official Gazette dated June 1, 2015 numbered 29373. With this Amendment, institutions and organizations which lie beyond the scope of this Decree have been amended. Pursuant to the Decree of The Council Of Ministers Regarding the Insurance Liability for Hazardous Substances which has been published in the Official Gazette dated March 11, 2010 numbered 27518, public administrations under Schedule of the Public Finance Management and Control Law are not included in the scope of this Decree. According to the Amendment Decree, real persons and legal entities which have internal funds within the scope of the procedures and principles determined by the Undersecretariat of Treasury are exempt from insurance liability on condition that they have the same coverage content with the insurance under this Decree.



## **DISPUTE RESOLUTION**

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### **THE CONSTITUTIONAL COURT RULED: "BEING A WELL-KNOWN TRADEMARK IN THE CONTEXT OF ARTICLE 6bis OF THE PARIS CONVENTION DOES NO LONGER CONSTITUTE AN ABSOLUTE GROUND FOR REFUSAL OF REGISTRATION".**

As is known, under Turkish legislation, provisions on protection of trademarks are regulated by the Decree-Law numbered 556 (Published in the Official Gazette dated June 27, 1995 and numbered 22326).

In that regard, pursuant to the abolished Article 7/I(i) of the Decree-Law, if a written sign subject of trademark registration application was a well-known trademark in the context of Article 6bis of the Paris Convention that has not been authorized by its owner, it was an absolute ground for refusal of registration meaning that the Turkish Patent Institute would ex officio take into consideration this issue without need for an objection and would refuse the registration of the relevant sign as a trademark.

Recently, Ankara 3rd Intellectual and Industrial Rights Court applied to the Constitutional Court by alleging that Article 7/I(i) of the Decree-Law is in contradiction with Article 91 of the Turkish Constitution due to the reasons that (i) Pursuant to Article 91 of the Constitution, the fundamental rights listed in the Constitution shall not be regulated by Decree-Laws (ii) There is no doubt that the right of ownership is a fundamental right and pursuant to Article 35 of the Constitution, the right of ownership can only be limited by Law with the aim of public interest (iii) Since the intellectual property rights are also among the rights of ownership as an intangible ownership right, it is not possible to limit the trademark registration right with a Decree-Law (iv) Thus, Article 7/I(i) of the Decree-Law

should be abolished.

Further to this application and following its examination on the merits, also the Constitutional Court unanimously ruled by its decision dated May 27, 2015 and numbered 2015/33 E. 2015/50 K. (Published in the Official Gazette dated June 02, 2015 and numbered 29374) that Article 7/I(i) of the Decree-Law is contrary to Article 91 of the Constitution since intellectual property right is an intangible right of ownership; hence, cannot be limited by a Decree-Law.

Accordingly, the Constitutional Court abolished Article 7/I(i) of the Decree-Law. The mentioned decision of the Constitutional Court entered into force as of the date of its publication in the Official Gazette, on June 02, 2015 and being a well-known trademark in the context of Article 6bis of the Paris Convention does no longer constitute an absolute ground for refusal of registration since the decisions of the Constitutional Court are legally binding for all of the real and legal persons including Courts and Official Institutes.

Nonetheless, it must also be noted that the right of the trademark owner to file an objection based on Article 8 of the Decree-Law remains the same and even though the Turkish Patent Institute does not take this matter into consideration ex officio, the trademark owner is entitled to file an objection based on the allegation that his trademark is a well-known trademark and therefore cannot be used in other goods and services.



## EMPLOYMENT AND SOCIAL SECURITY

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### **Communique regarding the New Situation for Dangerous and More Dangerous Jobs**

Upon the new Communique of [Professional Competency Board](#) in relation to [Professional Competence Certificate](#) (published in the Official Gazette dated May 25, 2015 and No. 29366), persons who work in dangerous and more dangerous professions, such as

- Aluminum/Steel Welder
- Natural Gas Maintenance and Management Operator
- Construction Dyer
- Automotive Technician/ Electro Technician/ Assembler/

will not be allowed to work without a professional competence certificate after 12 months from the enforcement date of the communique. Employees who have a certificate of proficiency and are working in the field of graduation will be excluded from the scope of the communique. Furthermore, the employer will be required to pay an administrative fine of 500 Turkish Liras per employee, working without a professional competence certificate.

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## **Certain Changes on Working Hours and Numbers of Occupational Safety Specialists**

Upon the changes in the Regulation on the Occupational Safety Specialist's Duties, Responsibilities, Authorization and Trainings (published in the Official Gazette dated April 30, 2015 and No. 29342), minimum working hours and the minimum number of occupational safety specialist has changed.

Minimum working hours have been increased from 6 to 10 for less dangerous jobs, 8 to 15 for dangerous jobs, 12 to 20 for more dangerous jobs in a week. The minimum remains 60 minutes for less dangerous jobs in which less than 10 employees are working.

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## **Recent Changes Brought by No.6645 Ominous Bill**

The Law on Occupational Health and Security No. 6645 (published in the Official Gazette dated April 23, 2015 and No. 29335) includes the following changes on paid compassionate leaves and interests on recourse debts and occupational accidents.

- An employee will have 3 days compassionate leave when he/she marries, adopts a child, loses his/her mother, father or siblings. In circumstances where his spouse gives birth, he has right to 5 days leave.
- One of the parents of a child with 70% disability or a continuous disease will have 10 days compassionate leave in a year. These periods are to be considered as worked.
- Underground mining workers' working hours will increase 7.5 hours to 6 hours a day, consequently to 37.5 hours from 36 hours a week.
- Children, who are under working age (14), will be able to work in art, culture and advertisement activities, but not if it prevents a child's physical, mental, social and moral development.
- Wages of professional competence certificates and exam fees of employees working in dangerous or more dangerous jobs will be paid fully until 31/12/2017, paid half until 31/12/2019 by the Unemployment Insurance Fund.
- Companies operating in the more dangerous jobs sector will drop the employer unemployment insurance entailing 1% to 2% for a 3 year period as a reinforcement measure in case no occupational accidents occur ended with death or continuous incapacity.
- Taxes of recourse debts of occupational accidents, occupational illnesses, disablement and deaths will be wiped out and adjusted to domestic producer price index if they were confirmed with a court decision before 31/12/2014.

all legal developments in Turkey with the quarter specified. None of the information contained in this legal newsletter shall constitute legal advice or anything akin thereto. To unsubscribe email the Editor: [newsletter@pekin.pekin.com](mailto:newsletter@pekin.pekin.com)

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