

# Recent Amendments to the Turkish Commercial Code

The Law on Amendments to the Turkish Commercial Code and Certain Laws (“**Law No. 7511**”) entered into force after being published in the Official Gazette dated 29.05.2024 and numbered 32560 and with the amendments made to the Turkish Commercial Code (“**TCC**”), amendments have been introduced regarding the term of office of the chairman and vice-chairman of the board of directors, the non-transferable duties and powers of the board of directors, the procedure to be followed for convening of the board of directors, and a provisional article for companies that continue their activities with capital below the determined minimum capital amounts for joint-stock and limited liability companies, as per the Presidential Decree dated 25.11.2023 and numbered 7887 (“**Presidential Decree**”) published in the Official Gazette dated 25.11.2023 and numbered 32380.

## **I. Term to Determine the Chairman and Vice-Chairman of the Board of Directors**

The phrase “*The board of directors each year among its members*” in Article 366 of the TCC has been amended to “*The board of directors, among its members*”. Through this amendment, the annual obligation of the board of directors to determine the chairman and vice-chairman has been eliminated and the board of directors is granted with the authority to distribute the duties that can be valid throughout its term of office. In this context, it is possible to say that the distribution of duties, which should have been followed every year, has been simplified in practice.

## **II. Non-transferable Duties and Authorities of the Board of Directors**

The phrase “*Appointment and dismissal of managers and persons with similar functions and those authorized to sign*” in Article 375/1 (d) of the TCC, which governs the non-transferable duties and authorities of the board of directors has been amended as “*Appointment and dismissal of managers and persons with similar functions, excluding branch managers.*” With the relevant amendment, the appointment of individuals who are granted with signature powers, except for senior executives, managers and persons with similar functions has been removed from the non-transferable authority of the board of directors. Similarly, the appointment and dismissal of branch managers have also been removed from the non-

transferable authority. Considering these amendments, it can be said that these amendments are aimed at expediting and simplifying the authorization process of individuals to represent a company, thereby enhancing the efficiency of the company's organizational structure.

### **III. Convening the Board of Directors**

Upon amendment, a regulation has been brought regarding the procedure to be followed following a written request by board members from a chairman to convene the board of directors as stipulated in Article 392/7 of the TCC, and the following sentence has been added to Article 392/7 of the TCC:

*“If the request is deemed appropriate, the call shall be made by the chairman of the board of directors. However, upon the written request of the majority of the board members, the chairman of the board of directors must call the board of directors to a meeting within thirty days from the date the request is received. If the board of directors is not called to a meeting within this period, or if the chairman or vice-chairman of the board cannot be reached, the call may be made directly by the requesting members. In meetings held upon such calls, the quorum and decision-making requirements stipulated in the first paragraph of Article 390 shall apply. A different procedure for calling the board of directors to a meeting may be stipulated in the articles of association.”*

Thus, in cases where the chairman of the board of directors fails to call the board of directors for a meeting despite the written request of the majority, or in cases where the chairman or the deputy chairman of the board of directors cannot be reached to call the board of directors for a meeting, the call for a meeting may be made directly by the requesting board members; and it is possible to say that this amendment aims to minimize the problems experienced in practice regarding the convening of the board of directors.

### **IV. Compliance Process to the Minimum Capital Amounts**

As of 01.01.2024, the minimum capital amount stipulated for joint-stock companies has been increased to TRY 250,000, for non-public joint-stock companies with a registered capital system to TRY 500,000 and for limited liability companies to TRY 50,000 by the Presidential Decree. For more detailed information on this subject, you can refer to our article titled "[Registration Procedures at the Trade Registry in Light of the Minimum Capital Amounts Regulation for Capital Companies](#)"

Provisional Article 15 of the TCC, which has been introduced by Law No. 7511, provides a provisional regulation for the capital increase of companies that continue their operations but have less than the minimum capital amount stipulated under Articles 332 and 580 of the TCC. As per the relevant article, companies are required to increase their capital to the stipulated minimum capital amount by 31.12.2026, otherwise, they will be deemed to have been dissolved. Also, companies, applying the non-public registered capital system, must increase their initial capital and issued capital to TRY 500,000 by the relevant date, otherwise, they will be considered to have exited from such system.

In order to facilitate the compliance process, it has been regulated that in general assembly meetings convened to increase a company's capital to the stipulated minimum capital amount, the quorum for the general assembly meeting will not be required, decisions will be reached with the majority of the present votes, and no privileges will be exercised against such decisions.

Furthermore, it should be noted that the Ministry of Trade is authorized to extend the compliance period for up to 2 (two) times, each for a duration of one year.

You can access the full text of Law No. 7511 from [here](#).

**Aslı Tezcan, Partner**

**Pınar Akkaya, Associate**

**Kerem Baskın, Legal Intern**