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COŞKUN|LAW FIRM

LEGAL BRIEFING

Key legal and regulatory developments shaping business and investment in Türkiye

In this November 2026 edition, we highlight selected legal and regulatory developments relevant to companies, investors and foreign nationals operating in Türkiye. This month's focus includes capital markets, corporate compliance, real estate, tax procedure, workplace data protection and digital platforms.

Our briefing is designed to go beyond legislative summaries. We focus on the practical implications of each development, identifying who may be affected and the issues that businesses and investors should consider in their ongoing operations and transactions.

Coşkun Law Firm
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In this issue:

CAPITAL MARKETS
New Law on Funds in Liquidation: Interim Payments and Liability

COMMERCIAL
Minimum Capital and Capital Loss: Deadlines Extended

REAL ESTATE
Pre-emption Rights: Market Value Rule Annulled

TAX
Electronic Tax Notifications Become Mandatory

DATA PROTECTION
Monitoring Employee Communications: A New Principle Decision

TECHNOLOGY
Age Verification on Social Networks

New Law on Investment Funds Under Liquidation and Investor Rights

The fund liquidations discussed in our October issue have entered a new phase with legislation adopted at the level of a statute. The new law subjects payments to investors, and the recovery from responsible persons of value removed from fund assets, to a special regime.

Law No. 7596 on Certain Investment Funds Whose Liquidation Has Been Decided (the "Law") was adopted by the General Assembly of the Grand National Assembly of Türkiye on 22 October 2026 and entered into force upon its publication in the Official Gazette dated 27 October 2026 and numbered 33413. The Law, which consists of nine articles, applies with effect from 17 September 2026.

The Law covers investment funds whose liquidation was ordered by the decisions of the Capital Markets Board (the "Board") dated 17 September 2026 and whose liquidation had not been completed as of the Law's publication date. As expressly stated in the Law, it does not establish a general or ongoing liquidation and liability regime for other investment funds.

The liquidation process and identification of unitholders

Liquidation will be carried out under the supervision of the Board by the institutions it designates. These institutions are required to realise fund assets at the highest economic value and to protect the interests of unitholders collectively. Where it considers it necessary, the Board may also approve the sale of assets outside the exchange.

Unitholders will be identified on the basis of the records of the Central Registry Agency ("MKK") and through a reconciliation process. Units blocked as a result of orders transmitted to the Turkish Electronic Fund Trading Platform ("TEFAS") but not executed will also be included in the liquidation.

However, no payment will be made from the fund to persons whom the Board determines to have committed, or participated in, the acts set out in Articles 104, 106 and 107 of Capital Markets Law No. 6362.

Net investment amount and interim payments

The provision attracting the most attention in practice is Article 4, which governs interim payments. Where distributable cash is insufficient, each investor's net investment amount will be calculated by the MKK on the basis of cash inflows to and outflows from the fund, and updated using the average of the consumer and producer price indices.

An interim payment is capped at the lowest of the net investment amount, the value of the units on the preceding day and TRY 1,000,000 per fund. The unit value cap does not apply to money market funds. Units will not be redeemed in return for interim payments; they will be redeemed at the final distribution stage, and interim payments will be set off against the final payment.

Where cash is insufficient to cover all unitholders, the Board may rank payments starting from the lowest net investment amount and may set a minimum interim payment amount on a fund-by-fund basis.

Value removed from fund assets and personal liability

Article 5 of the Law characterises as a fund loss any value removed from fund assets unlawfully, or through related-party or sham transactions lacking a genuine economic purpose. The founding or managing portfolio management company is primarily liable for such loss.

Continued on the next page →

Investment Funds Under Liquidation — Continued

Where the portfolio management company is unable to cover the loss in full or in part, the natural and legal persons identified by the Board as having acted together with the company will be held personally liable. Leaving office does not release a person from liability for transactions carried out during the relevant period.

Losses identified by the Board will be notified to the Savings Deposit Insurance Fund ("TMSF") and collected in accordance with Law No. 6183. The Istanbul administrative courts have jurisdiction over disputes in this respect.

Assets seized in criminal investigations that can be returned to the fund will be returned, and a separate recovery account will be opened with the TMSF for each fund. Amounts held in these accounts may be used only for the liquidation of the relevant fund and payments to its unitholders, and may not be attached or pledged, even in respect of public receivables.

Other Board decisions adopted in October

By its decisions published in Bulletin No. 2026/75 dated 26 October 2026, the Board also significantly increased the thresholds underlying the definitions of professional and qualified investors. For individuals requesting professional investor status, the financial asset threshold was raised from TRY 10 million to TRY 50 million and the transaction volume threshold from TRY 5 million to TRY 25 million.

On the same date, the Guidelines on Investment Funds were amended and the deadline for hedge funds to comply with the applicable investment restrictions was set as 31 January 2027.

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While the Law resolves a significant part of the uncertainty surrounding the liquidation process, it does not guarantee that investors' claims will be satisfied in full. An interim payment is in the nature of an advance to be set off against the final claim. An investor's rights should therefore be assessed together with the liquidation balance and any amounts recovered from responsible persons.

Investors should first document the number of units recorded with the MKK, their inflows to and outflows from the fund, and any unexecuted orders, and should compare the net investment amount to be announced by the Board against these records.

Investors considering an action for annulment against the Board's decisions of 17 September 2026 should note that, calculated from the date of announcement of the decisions, the sixty-day period for filing such an action expires on 16 November 2026.

For portfolio management companies and their executives, Article 5 of the Law provides for a liability structure that is not confined to the company's legal personality and extends to persons who have left office. Given the short time limits applicable in administrative proceedings, it is important to determine in good time the course of action to be taken against acts of the Board and the TMSF.

Two Extensions for Companies: Minimum Capital and Capital Loss

By two communiqués published in October, the Ministry of Trade extended by one year both the deadline for compliance with minimum capital amounts and the temporary relief applicable to capital loss and over-indebtedness calculations. Although the deadlines have been extended, the substance of companies' obligations remains unchanged.

One additional year to comply with minimum capital

The Communiqué on the Extension of the Period for Joint Stock and Limited Companies to Increase Their Capital to the New Minimum Amounts (the "Minimum Capital Communiqué") entered into force upon its publication in the Official Gazette dated 17 October 2026 and numbered 33403.

As is known, Presidential Decision No. 7887 increased the minimum capital to TRY 250,000 for joint stock companies and to TRY 50,000 for limited companies as of 1 January 2024. For non-public joint stock companies that have adopted the registered capital system, the initial capital applied is TRY 500,000.

Provisional Article 15, added to the Turkish Commercial Code (the "TCC") by Law No. 7511, had set 31 December 2026 as the deadline for existing companies to comply with these amounts. The Minimum Capital Communiqué extends this deadline to 31 December 2027. The same date also applies to companies in the registered capital system for increasing their initial and issued capital.

The Minimum Capital Communiqué does not set any new capital amount; it only extends the compliance period. Under Provisional Article 15, joint stock and limited companies that fail to increase their capital within the period will be deemed dissolved, and companies in the registered capital system will be deemed to have exited the system.

Provisional Article 15 authorises the Ministry of Trade to extend this period at most twice, by one year each time. Since this authority has now been used for the first time, a second extension remains legally possible, although no announcement has been made in this respect.

Relief in capital loss and over-indebtedness calculations extended

The Communiqué Amending the Communiqué on the Procedures and Principles for the Implementation of Article 376 of Turkish Commercial Code No. 6102 (the "Amending Communiqué") was published in the Official Gazette dated 10 October 2026 and numbered 33396.

Article 376 of the TCC imposes obligations on the board of directors in cases of capital loss and over-indebtedness, such as convening the general assembly, proposing remedial measures and, where there are signs of over-indebtedness, preparing interim financial statements.

Under Provisional Article 1 of the implementing communiqué, foreign exchange losses arising from foreign currency liabilities not yet performed may be disregarded in full in these calculations, together with half of the total lease expenses, depreciation and personnel expenses accrued in 2020 and 2021.

This relief, which was previously available until 1 January 2027, has been extended until 1 January 2028 by the Amending Communiqué.

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Two Extensions for Companies — Continued

COŞKUN LAW FIRM INSIGHT

While both measures give companies more time, neither changes the substance of their obligations.

As regards minimum capital, adopting a general assembly resolution on the capital increase is not sufficient; registration of the increase with the trade registry must also be completed within the period. It would therefore be advisable not to leave capital increases to the final months of 2027 and not to plan on the assumption that a second extension will be granted.

As regards Article 376 of the TCC, the Amending Communiqué provides relief for the purpose of determining the company's position only. Disregarding certain items in the calculation does not change the company's actual financial position, nor does it remove the board's obligations. Transactions such as capital increases or reductions, mergers, demergers and conversions should be planned on the basis of up-to-date financial statements that do not reflect this relief.

Whether a capital increase made to comply with the minimum capital should be funded from internal resources or in cash should be assessed together with its tax consequences and the company's potential changes in shareholding, funding rounds or plans for a public offering. For start-ups in particular, the effect of a capital increase on the shareholding structure should be considered in light of the dilution and pre-emption provisions of the shareholders' agreement.

Pre-emption Cases in Co-ownership: Market Value Rule Annulled

The Constitutional Court has found unconstitutional the rule requiring the holder of a pre-emption right to deposit the market value determined by the judge rather than the sale price. As the annulment will enter into force nine months after publication, the current rule will continue to apply for some time.

The decision of the Constitutional Court (the "Court") dated 16 July 2026 and numbered E.2026/23, K.2026/162 (the "Decision") was published in the Official Gazette dated 6 November 2026 and numbered 33422. The Decision brings about an important change concerning the exercise of statutory pre-emption rights over immovable property held in co-ownership.

The annulled provision

The second paragraph of Article 734 of Turkish Civil Code No. 4721 (the "Civil Code") was amended by Law No. 7571 in December 2025. Before the amendment, the holder of the pre-emption right deposited the sale price shown in the land registry together with the title deed expenses borne by the buyer.

The amended provision required the market value of the share in dispute to be determined by the judge without delay. The holder of the pre-emption right was obliged to deposit this amount, together with the title deed expenses borne by the buyer, in cash at the place designated by the judge and within the peremptory period granted. If the amount was not deposited in time, registration in the name of the right holder could not be ordered.

The second paragraph of Provisional Article 1 added to the Civil Code extended this rule to cases filed before 25 December 2025, the date on which the amendment entered into force.

The Court's assessment

The provision was reviewed upon objections referred by thirteen civil courts of first instance and an action for annulment filed by 137 members of parliament. The Court accepted that the share sold constitutes property within the meaning of Article 35 of the Constitution for both the seller and the buyer, and that the statutory pre-emption right is exercised in connection with ownership.

A pre-emption right allows its holder to step into the buyer's shoes on the same terms. In the Court's view, substituting an amount determined by the judge for the sale price agreed between the parties interferes with the will of the seller and the buyer. This may produce unjustified results in favour of or against the buyer, while the right holder learns the amount payable only at the end of the proceedings.

The Court concluded that the rule did not strike a fair balance between the parties and annulled it as contrary to Articles 5 and 35 of the Constitution. The annulment of the words "market value" was decided by majority; the remainder of the paragraph was annulled as it could not be applied without those words. The second paragraph of Provisional Article 1 was also annulled.

When will the annulment take effect?

The Court ruled that the annulment will enter into force nine months after publication of the Decision in the Official Gazette, namely on 6 August 2027. Until that date, the rule requiring deposit of the market value within a peremptory period will continue to apply both to cases filed after 25 December 2025 and, under the provisional article, to cases filed earlier.

Under Article 153 of the Constitution,

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Market Value in Pre-emption Cases — Continued

annulment decisions do not have retroactive effect and final judgments will not be affected. The annulment does not automatically reinstate the pre-amendment sale price rule. The legislature is therefore expected to adopt a new rule on the price and deposit before 6 August 2027. The rule applicable to cases pending on that date will also depend on this new legislation.

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Rather than ending the debate on how the price is to be determined in pre-emption cases, the Decision creates a nine-month transitional period. Since the market value rule will continue to apply in cases filed or pending during this period, co-owners considering exercising a pre-emption right should take into account that they may be required to deposit, at short notice, an amount exceeding the sale price shown in the land registry.

For the right holder, it is important to document the dates of the sale and of the notification, to calculate the limitation periods correctly, to direct the action against the buyer and to plan financing for the amount to be deposited.

For the buyer, the price paid and the terms of the sale should be documented, and the comparables and valuation date used in the expert report should be scrutinised.

For owners planning to sell a share in co-owned property, notifying the other co-owners of the sale through a notary, obtaining duly executed waivers where possible and recording the actual sale price in the land registry will significantly limit the risk of future disputes.

A New Era in Tax Notifications: Mandatory Electronic Notification

A new Tax Procedure Law General Communiqué has restructured the electronic notification system and made participation mandatory for a wide group of taxpayers, starting with corporate taxpayers. Notification takes effect regardless of whether the document has been opened.

Tax Procedure Law General Communiqué (Serial No: 596) (the "Communiqué") entered into force upon its publication in the Official Gazette dated 11 October 2026 and numbered 33397. The Communiqué is based on Article 107/A of Tax Procedure Law No. 213 (the "TPL"), as amended by Law No. 7587, and repeals the previous Communiqué Serial No. 456 on the same subject.

Who must join the system?

Under the Communiqué, corporate taxpayers; persons subject to income tax under the real income method on account of their commercial, agricultural or professional earnings; general and ordinary limited partnerships; and persons who first acquire registrable goods listed in Special Consumption Tax List (II) are required to join the electronic notification system.

Taxpayers subject to the obligation that have not yet joined the system must apply by 30 November 2026. Newly registered taxpayers must apply within fifteen days of the commencement of their activities, and persons acquiring goods listed in Special Consumption Tax List (II) must apply before registration.

Applications may be made electronically through the Digital Tax Office, or by submitting a form to the tax office in person, through a legal representative or through an attorney-in-fact holding a notarised power of attorney expressly authorising electronic notification matters. Taxpayers that joined the system before 1 July 2026 are not required to reapply.

When is notification deemed to be made?

The provision requiring the most attention in practice concerns the date of notification. A document sent electronically is deemed notified at the end of the fifth day following the date on which it reaches the recipient's address in the system. The fact that the document has not been opened or read does not change this outcome.

The failure of text message or e-mail alerts sent to the taxpayer to arrive, for whatever reason, also does not affect the validity of the notification. These alerts serve information purposes only.

System event logs will be signed with a time stamp and kept by the Revenue Administration for thirty years, and may be used as evidence upon request.

Exemptions and exit from the system

Individuals with a disability rate of ninety per cent or more and persons under eighteen years of age are exempt from the obligation. Legal entities all of whose legal representatives have such a disability rate may also benefit from the exemption. Legal entities exit the system when their registration is deleted.

The Communiqué states that the relevant penalty provisions of the TPL will apply to taxpayers who fail to join the system despite being subject to the obligation.

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A New Era in Tax Notifications — Continued

COŞKUN LAW FIRM INSIGHT

With the Communiqué, most notifications served by the tax administration on companies are moving from paper to electronic form. Linking the date of notification to the document reaching the system, rather than to its being read, creates the risk that time limits for settlement, correction and legal action against tax and penalty assessments and payment orders may begin to run without the company's knowledge.

Companies are therefore advised to designate who will check the electronic notification inbox and how often, and to set out the flow of information between the financial advisor and company management in a written internal procedure.

It should also be borne in mind that the tax administration's electronic notification system is separate from the National Electronic Notification System used by courts and other institutions under the Notification Law. Notifications received through each channel must be monitored separately.

Taxpayers subject to the obligation that have not yet joined the system should complete their applications before 30 November 2026.

Principle Decision on Monitoring Corporate Communication Channels

The Personal Data Protection Board has set out, by a principle decision, the conditions under which employers may monitor the communication channels assigned to employees. The decision makes clear that the employer's ownership of an account or device does not confer unlimited monitoring authority.

The Principle Decision of the Personal Data Protection Board (the "Board") on the Procedures and Principles to be Followed in Personal Data Processing Activities Carried Out by Monitoring Communication Channels Used for Business Purposes, Primarily Corporate E-mail Accounts Assigned to Employees by Employers (the "Principle Decision") was published in the Official Gazette dated 8 October 2026 and numbered 33394. The Principle Decision was adopted by majority vote by the Board's decision dated 16 September 2026 and numbered 2026/2035.

The scope is not limited to e-mail

The Board characterised a corporate e-mail account not merely as a means of communication but as a data source containing the employee's professional and, at times, personal network of relationships, working patterns and correspondence. Monitoring these accounts constitutes a personal data processing activity under Personal Data Protection Law No. 6698 (the "Law").

Depending on the circumstances, the Principle Decision also covers internal messaging applications, corporate instant messaging accounts, customer relationship and ticketing systems, and chat and recording features of meeting platforms. Reviewing traffic or log records alone, without accessing content, also constitutes personal data processing.

Technical access does not mean legal authority

One of the most notable findings of the Principle Decision is the distinction between technical access and legal authority. An employer's technical control over a device, session, network or corporate system does not authorise access to the employee's personal e-mail account, personal messaging applications or social media inbox.

Where personal use is prohibited or restricted, this must be clearly communicated to employees. However, a prohibition does not remove the requirement that monitoring be proportionate. If a breach of the prohibition can be identified without accessing content, reviewing the content of correspondence will not be considered necessary or proportionate.

Notice and a gradual approach to monitoring

Employees must be informed of monitoring in advance and clearly. General statements such as "corporate e-mail accounts may be monitored" are not considered sufficient. The privacy notice should set out the legal basis, purpose and scope of monitoring, whether log records or content will be reviewed, the conditions for accessing content and the retention periods.

Monitoring must follow a gradual approach. Where the legitimate aim can be achieved by a less intrusive method, a more intrusive one may not be used. Access to content is permissible only in exceptional cases where traffic data is insufficient, on the basis of a concrete suspicion and limited to the relevant allegation. Continuous surveillance and content reviews of indeterminate scope are not acceptable.

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Monitoring Corporate Communication Channels — Continued

Legal basis, access and departing employees

Depending on the circumstances, monitoring may be based on a legal obligation, on the establishment, exercise or protection of a right, or on the employer's legitimate interest, provided that the employee's fundamental rights and freedoms are not harmed. Explicit consent is not automatically regarded as the primary legal basis for e-mail monitoring.

Access to monitoring data should be limited to a small number of authorised personnel with defined roles, access logs should be kept and such persons should be bound by confidentiality obligations.

The corporate account of an employee whose employment has ended should be closed to active use and new access. Forwarding, automatic replies or archiving may be used only on grounds such as business continuity, defence in legal disputes or statutory obligations, and only in a manner that is time-limited, documented and subject to access controls.

The Principle Decision does not provide for any transition period. Where non-compliance is identified, administrative sanctions may be imposed under Article 18 of the Law.

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The Principle Decision gives concrete form, from a data protection perspective, to the constitutional criteria governing the monitoring of communications in the workplace and directly affects employers' practices in this area.

In particular, where correspondence intended to be used as evidence in disciplinary investigations, terminations for just cause or employment litigation is obtained through monitoring that does not comply with the Principle Decision, serious issues may arise both in terms of administrative sanctions and the lawfulness of the evidence.

Employers should therefore review their policies on communication tools, employee privacy notices and personal data retention and destruction policies in line with the Principle Decision. Before an internal investigation is launched, it should be determined in writing at what stage monitoring will remain limited to log records, under what conditions content will be accessed and who will take that decision.

It is also important to address the handling of departing employees' accounts together with human resources and IT departments, and to avoid indefinite forwarding arrangements justified by business continuity.

Age Limit on Social Networks: New Obligations for Platforms and Start-ups

A regulation prepared by the Cyber Security Directorate prohibits social network providers from offering services to children under fifteen and makes age verification mandatory. The regulation concerns not only major platforms but also new applications with social network features.

The Regulation on the Provision of Differentiated Services Specific to Children and Age Verification by Social Network Providers (the "Regulation") was published in the Official Gazette dated 10 October 2026 and numbered 33396 and entered into force on 1 November 2026. The Regulation is based on Additional Article 4 of Law No. 5651 on the Regulation of Publications on the Internet and Combating Crimes Committed by Means of Such Publications ("Law No. 5651").

Scope and core prohibition

The Regulation covers social network providers, whether based in Türkiye or abroad, that are accessible from Türkiye, as well as their users. A social network provider is broadly defined as any natural or legal person enabling users to create, view or share content such as text, images, audio and location.

Under Article 5 of the Regulation, social network providers may not offer services to children under fifteen. Children between fifteen and eighteen must be provided with a differentiated service appropriate to their age and level of development.

The age verification token

At the account creation stage, providers must verify the user's age with an age verification token generated through the e-Government Gateway at the user's request. The token shows only whether the user has passed the fifteen and eighteen age thresholds and contains no other data that would make the user identifiable. Providers may not use the token for any purpose other than age verification.

After an account has been opened, providers must also operate single or layered age verification methods of their choice throughout the service. Where there is reasonable suspicion of misuse, the account will be suspended and may be reactivated only after re-verification with the token.

Users between fifteen and eighteen

Accounts in this age group will be private by default and cannot be made public. Only accounts that the child follows will be able to send messages to the child, and live streaming will not be available.

Designs with addictive potential and interfaces presenting visual content in a continuous stream are prohibited. A child's data may not be used for profiling or personalised commercial advertising, and accounts may not be matched through phone books or contact lists.

Providers must also offer parental control tools and make settings such as paid transactions, spending limits, screen time and location sharing subject to parental control.

Appeal mechanism and existing accounts

Providers must establish a free, accessible and Turkish-language appeal mechanism against age verification results and against the suspension or closure of accounts. Appeals may not be decided solely by automated systems and will be subject to meaningful human review. Content and personal data will not be deleted until the appeal has been concluded.

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Age Verification on Social Networks — Continued

Accounts opened before the Regulation entered into force and not verified with a token must be verified at least once by 31 March 2027. Accounts of users found to be under fifteen will be closed following notification.

In the event of non-compliance, the sanctions under Additional Article 4 of Law No. 5651 will apply; before any sanction is imposed, the provider will be given a reasonable period to remedy the breach.

COŞKUN LAW FIRM INSIGHT

The definition of a social network provider in the Regulation has the potential to cover not only major social media platforms but also many digital services where users create profiles, share content and comments or message one another. Start-ups developing social commerce applications, community platforms and mobile applications based on content sharing should assess at an early stage how their products are positioned under this definition.

Although the scope provision of the Regulation does not include a threshold based on the number of users, the provider's position under Additional Article 4 of Law No. 5651 should be assessed separately.

For providers within scope, age verification infrastructure, default privacy settings, recommendation algorithms and the advertising model should be addressed together. The prohibition on profiling and personalised advertising for users under eighteen may have a direct revenue impact on business models that rely on advertising income.

Age verification processes should be assessed together with data protection legislation, and the commitment that the token will be used only for its intended purpose and that no more data than necessary will be processed should also be reflected in the terms of use and privacy notices.

LOOKING AHEAD

At **Coşkun Law Firm**, we closely follow legal and regulatory developments that may affect businesses, investors and individuals operating in Türkiye.

Our Legal Briefing is designed to provide concise and practical commentary on selected developments across our practice areas, with a particular focus on their legal and commercial implications.

We will continue to monitor the issues covered in this edition, together with new legislation, regulatory decisions and case law as they develop.

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For further information regarding any of the matters covered in this edition, please contact our team or visit coskunlawfirm.com

Kind Regards,

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