

# Turkey - Measures regarding the ordinary general assembly meetings of joint stock and limited liability companies during the Covid-19 pandemic

## *March 2020*



Dear Colleagues, Clients and Friends,

The Turkish Commercial Code (“**TCC**”) provides that the ordinary (annual) general assembly meetings of joint stock and limited liability companies should be held within three months of the end of the financial year. For companies that have not adopted a special accounting period, this means the general assembly must be held until the end of March each year. The **Covid-19** pandemic has made it necessary to adopt urgent measures with regard to all types of gatherings. In this context, the General Directorate of Domestic Trade of the Turkish Ministry of Commerce published an announcement (the “**Announcement**”) on 20 March 2020 regarding a number of measures to be taken for the ordinary general assembly meetings of joint stock and limited liability companies.

Below you may find an overview of the measures set forth in the Announcement:

- **Cancellation of the general assembly meeting**
  - » **Ordinary general assembly meetings for which an invitation has been made.** If the relevant management body (board of directors or board of managers) of the joint stock or limited liability company has already adopted a resolution to call the ordinary general assembly meeting in accordance with the provisions of the TCC and the articles of association of the relevant company, this resolution can be cancelled with another resolution adopted by the management body, without waiting for the general assembly to convene in order to resolve on the postponement of the meeting. The annulment process must be completed with the submission of an application to register the resolution with the relevant trade registry, the announcement of the resolution in the Turkish Trade Registry Gazette and the notification of the shareholders through the procedure followed for invitations to the general assembly meeting.
  - » **Ordinary general assembly meetings for which no invitation has been made.** With respect to the ordinary general assembly meetings for which a date has not been set yet, or a date has been set but

no invitation has been made, the requirement to convene the ordinary general assembly meetings until the end of March may be interpreted with flexibility under the current circumstances, considering that the Covid-19 pandemic constitutes a force majeure event.

- **Use of the electronic general assembly system**

The companies which have the necessary provision in their articles of association to allow for electronic general assembly meetings and have procured the required technical system can hold their general assembly meetings electronically in accordance with Article 1527 of the TCC and the relevant secondary legislation. In addition, the Announcement provides that even companies which do not have the required provisions in their articles are allowed to hold their general assembly meetings in this manner, and that their management body can convene electronically during the pandemic. In that case, the amendment of the company's articles of association with respect to convening meetings electronically must be approved at the first coming general assembly meeting.

In order to hold a general assembly meeting electronically within this period, the company must first submit an application to the Central Registry Agency (the "CRA") by filling out the Electronic General Assembly System ("e-GAS") petition available on the website of the CRA and registering with the e-GAS. Following the completion of the registration process, the authorized representative must log in to the e-GAS and initiate the procedures for the invitation to the general assembly, the broadcasting agency must be contacted at least one week prior to the general assembly meeting for live broadcast to be conducted on the general assembly date, and copies of the requests of the shareholders who will attend the general assembly meeting through the e-GAS must be submitted to the CRA in written form at least one day prior to the general assembly meeting date. Shareholders or their representatives will be able to attend the general assembly meeting to be held through the e-GAS by using their electronic signature or mobile signature and to exercise their voting rights, and the general assembly meeting will be conducted electronically via a live broadcast from the meeting room. In this regard, it should be taken into consideration that the proceedings to be carried out before the CRA may cause additional costs for the company, and that the registration process with the e-GAS may take a certain period of time.

Please do not hesitate to contact us for further information on this briefing.



**Elvan Aziz**

Partner

[eaziz@paksoy.av.tr](mailto:eaziz@paksoy.av.tr)



**Nihan Bacanak**

Counsel

[nbacanak@paksoy.av.tr](mailto:nbacanak@paksoy.av.tr)



**Zeynep Kalayci**

Associate

[zkalayci@paksoy.av.tr](mailto:zkalayci@paksoy.av.tr)

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