Legality

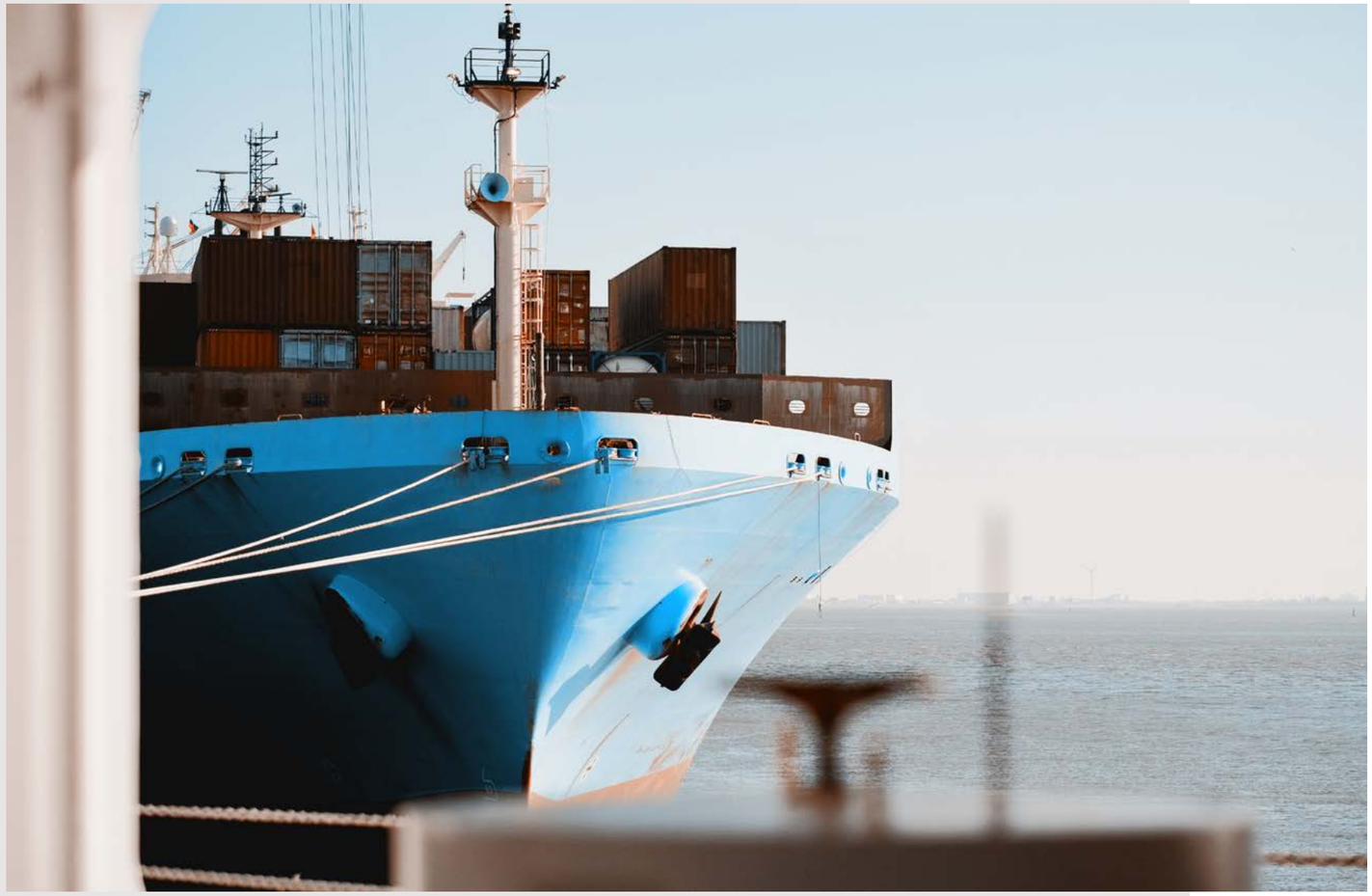
"A seminal publication of Şengün Group"

June - July - August 2025 | E-Bulletin

ŞENGÜN GRUP
Hukuk Law | Medya Media | Strateji Strategy
www. sengungroup.com

ŞENGÜN & PARTNERS
Avukatlık Ortaklığı | Attorney Partnership
www. sengunpartners.com

ŞENGÜN ALSP
Alternatif Hukuk Servis Sağlayıcılığı
Alternative Legal Service Provider
www. sengunalsp.com



JUNE - JULY - AUGUST 2025

LEGALITY

INDEX

Legality
Editor’s Note

Dear Reader,

Şengün Group is delighted to present the June-July-August 2025 issue of its newsletter that covers the latest local and global developments. From now on, we will continue to publish our newsletter on a quarterly basis. We are also broadening our content with new sections titled “Şengün Academy Highlights” and “Şengün Institute Highlights”.

Our articles include “Legal Risks in a Startup Ecosystem: A Comparative Analysis Within the Legal Frameworks of the U.S., the EU, and Türkiye”, “A Legal Analysis on the Recently Enacted ‘Climate Law’”, “eBLs and International Maritime Trade: A Legal Perspective on Electronic Bills of Lading”, “The Importance of Initial Public Offerings for Companies and Investors”, and “Algorithmic Risk Scoring in Cyber Insurance Policies”.

This month’s guest sector focuses on the local growth of the e-commerce and digital marketing industry, highlighting the legal framework and relevant details.

Our article on Journalists and Press Freedom Day, July 24, delves into fundamental issues such as freedom of the press and the right to reliable information.

In our “News to the World” section, we compile the latest regulations, decisions, communiqués, laws, arrangements and amendments regarding national and international relations.

In “World News”, we present global events with transparency as our guiding principle.

“News from Şengün” reveals the latest developments, events and announcements involving our team.

Finally, in “Şengün Academy Highlights” and “Şengün Institute Highlights”, we announce the reviews, insights, and analyses to be featured in our newsletters.

Enjoy reading!

Istanbul, June-July-August 2025
Şengün Group

Legality / Editor’s Note

Articles

Article

Legal Risks in a Startup Ecosystem: A Comparative Analysis Within the Legal Frameworks of the U.S., the EU, and Türkiye

This article offers a comparative analysis of the key legal risks in the startup ecosystem, focusing on the legal systems of the U.S., the European Union (EU), and Türkiye. In this framework, the topics requiring close attention from both entrepreneurs and legal professionals include corporate structure, intellectual property, data protection regulations, investment processes, and sector-specific regulations.

A. Overview

We are undoubtedly living in a time when global innovation, driven by technological advances, is surpassing even the forecasts. Against this backdrop, a startup ecosystem has emerged as a leading force in digitalization and technological transformation, with startups guiding not only economic growth but also regulatory frameworks.

While these new economic entities serve as engines of innovation, they also face complex legal risks during their formation and growth phases. Ignoring these risks may jeopardize the survival of a company with the potential of serious consequences and legal sanctions in terms of investor relations, brand value, data security, and regulatory compliance.

B. Risks Related to Business Structure and Partnership Arrangements

Business structure and partnership arrangements represent a fundamental challenge in innovative processes. In order for a startup to gain legal recognition while sustaining its innovations, it must acquire a legal personality and capacity, i.e. have a formal "existence", in accordance with the relevant legal system.

One of the most critical early-stage legal decisions for any startup is choosing the right business structure. For example, in the U.S., tech ventures aiming for rapid investment often prefer the "C-Corporation" model, particularly by incorporating in the state of Delaware. Although investors may prefer this model for legal certainty, they should adjust their tax regimes, bylaws, and governance structures based on it. Meanwhile, if not properly evaluated, the model may present practical risks, including double taxation and litigation procedures that vary by state.

A common mistake in both the U.S. and Türkiye is failing to conclude a written Founders' Agreement. In the absence of a vesting schedule for equity distribution, a departing founder may retain a substantial shareholding, which poses a significant obstacle to future investments in the company.

In the EU, models like Germany's GmbH (Limited Liability Company) or France's Société par Actions Simplifiée – SAS (Simplified Joint-Stock Company) tend to impose stricter rules in shareholder agreements, thereby reducing the risk of disputes.

In Türkiye, entrepreneurs often opt for a Limited Liability Company structure at the outset. However, this model offers limited flexibility in later investment stages, resulting in challenges with respect to share transfers, board composition, and the adaptability of the company's articles of association.

C. Legal Gaps in the Protection of Intellectual Property Rights

Intellectual property (IP) is one of the most critical assets that define a startup's value, and yet many ventures fail to take the necessary steps to protect it.

i. In the U.S., the "first to file" principle makes the timing of patent and trademark applications crucial. In addition, companies must execute an IP Assignment Agreement to secure ownership over software and designs created by employees. Otherwise, ownership may remain with the individual creator, posing a risk of losing significant rights in the future.

ii. In the European Union, protection mechanisms developed under the European Patent Convention require startups to present clear documentation of their IP during investment rounds. In countries like France and Germany and across Scandinavia, investors often consider the completion of registration processes as a precondition for funding.

iii. In Türkiye, many startups neglect to file trademark, software, or design protection applications. As a result, if a similar project is registered earlier by another party, the startup risks legal disputes and a significant loss of credibility in the eyes of investors. Ownership of IP is often left undefined even in projects supported by institutions like TÜBİTAK or KOSGEB.

D. Personal Data Protection and Data Security

Startups' collection of data via digital platforms makes their processing and storage subject to data protection laws. In the U.S., data protection regulations vary by state. Notably, the California Consumer Privacy Act (CCPA) enhances consumer control over personal data. Startups processing health-related data must also comply with the Health Insurance Portability and Accountability Act (HIPAA), which imposes strict obligations.

In the EU, personal data protection is governed by the "General Data Protection Regulation" (GDPR), which came into effect in 2018. GDPR mandates explicit consent, data minimization, the right to be forgotten, and data breach notification. Violations can lead to substantial fines.

Türkiye has adopted a similar legal framework under Law No. 6698 on the Protection of Personal Data (KVKK), partly in alignment with GDPR. However, enforcement remains weak. Most startups either neglect or superficially fulfill key obligations such as "privacy notices", obtaining "explicit consent", and "registering with the Data Controllers Registry Information System" (VERBIS). This leads not only to administrative fines but also to reputational damage in the relevant sector.

E. Investment Processes and Contractual Structuring

Securing investment during growth and scaling phases has become a necessity for startups. However, this process often involves significant contractual risks. In the U.S., the Simple Agreement for Future Equity (SAFE) model is widely used by accelerators like Y Combinator. While the model allows companies to raise capital without immediate valuation, it can later lead to valuation disputes and power imbalances among shareholders.

In Türkiye, the SAFE model has yet to be clearly integrated into the legal framework. Under Turkish law, procedures related to capital increases, share transfers, and debt securities require formal notifications to notaries, trade registries, and tax offices, slowing down the investment process.

Moreover, investment agreements often include unilateral penalty clauses and governance rights in favor of investors, which can

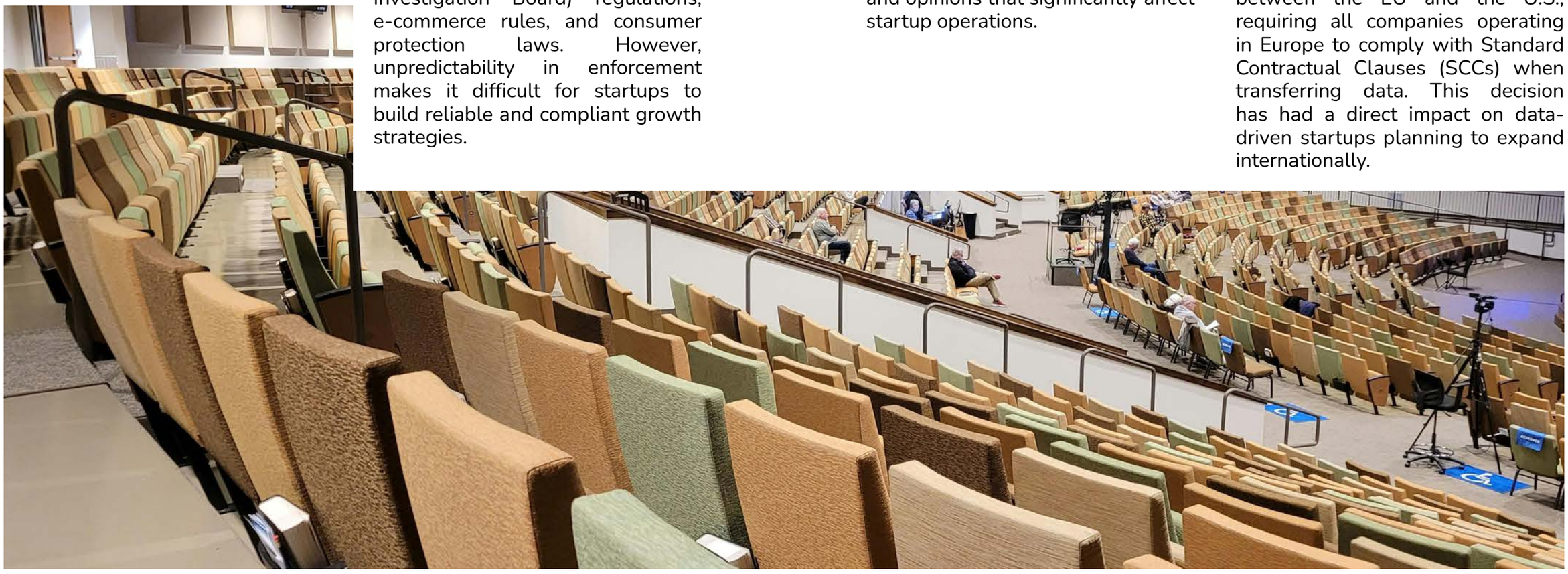
gradually erode the founding partners' decision-making power over time.

F. Sector-Specific Regulations and Compliance Risks

A startup's line of business directly shapes its regulatory obligations. The regulations change rapidly in fields such as Financial Technology (FinTech), Digital Health (E-Health), Artificial Intelligence (AI) and Crypto Assets, with these areas often operating in regulatory "grey zones."

The EU has expanded platform liability through the Digital Markets Act and Digital Services Act. The European Commission is also introducing new concepts such as algorithmic collusion to strengthen competition law enforcement.

In Türkiye, while a clear legal infrastructure is lacking in these areas, certain obligations still arise under existing frameworks, such as MASAK (Financial Crimes Investigation Board) regulations, e-commerce rules, and consumer protection laws. However, unpredictability in enforcement makes it difficult for startups to build reliable and compliant growth strategies.



G. Decisions and Opinions of International Judicial Authorities on the Startup Ecosystem

The digitalization of entrepreneurial activity has brought fundamental human rights into focus, particularly in areas such as personal data protection, digital competition, freedom of expression, and economic liberty. In this context, the European Commission, the European Court of Human Rights (ECHR), and the Court of Justice of the European Union (CJEU) have issued decisions and opinions that significantly affect startup operations.

a) Court of Justice of the European Union (CJEU)

As the binding judicial authority of EU law, the CJEU has issued several landmark rulings with critical implications for startups, particularly under GDPR. Among these, the most notable is the judgment in case C-311/18, widely known as "Schrems II".[1]

This ruling invalidated the "Privacy Shield" framework that previously allowed transatlantic data transfers between the EU and the U.S., requiring all companies operating in Europe to comply with Standard Contractual Clauses (SCCs) when transferring data. This decision has had a direct impact on data-driven startups planning to expand internationally.

In another seminal case, Google Spain SL, Google Inc. v Agencia Española de Protección de Datos (AEPD), Mario Costeja González[2], the CJEU recognized the Right to Be Forgotten and imposed significant responsibilities on search engine operators. This ruling has made legal compliance a central concern in digital content management strategies for startups.

b) Opinions of the European Commission

The European Commission regularly publishes Public Consultations and Impact Assessments regarding regulations that directly affect startups. Through the Digital Markets Act and Digital Services Act, the Commission has imposed new obligations on platform-based startups related to algorithm transparency, content moderation, and user rights. While aiming to "protect competition and strengthen user rights," the Commission has also introduced exemptions to ease the burden on smaller startups.

In addition, the Commission's Artificial Intelligence Act (AI Act) introduces the concept of "high-risk AI systems" and imposes requirements such as conformity assessments, traceability, and ethical audits on developers of such systems[3]. These rules have a direct bearing on the business activities of AI-based startups.

c) European Court of Human Rights (ECHR)

While the ECHR has not issued rulings specifically referencing the concept of startups, it has interpreted the right to engage in entrepreneurial activity under Protocol No. 1, Article 1 (Right to Property) and Article 10 (Freedom of Expression) of the European Convention on Human Rights (ECHR).

For instance, in Tre Traktörer AB v. Sweden[4] (1989), the revocation of a restaurant's license to serve alcohol was deemed a violation of the right to property. This case-law has prompted a discussion of whether the revocation of licenses for digital platform businesses violates fundamental rights.

Similarly, in Société Colas Est and Others v. France[5], the Court questioned the right of private companies to protect their trade secrets and the existence of reasonable oversight mechanisms in search and seizure operations. This judgment serves as a critical precedent in delineating the limits of government interference in entrepreneurial activity.

H. Conclusion

The development of the startup ecosystem depends not only on technological innovation but also on the legal compliance of these new technologies. The U.S. and the EU have systematically developed legal infrastructures for startups, enabling entrepreneurs to operate within a clear framework in areas such as corporate governance, intellectual property, data protection, and investment processes. In Türkiye, despite some improvements in these aspects, the lack of effective enforcement and the ambiguity of regulations continue to pose significant risks for entrepreneurs.

Early identification and management of legal risks are critical to ensuring the sustainability of a startup and maintaining investor confidence. In this regard, obtaining professional legal support, drafting contracts with precision, and regularly monitoring sector-specific regulations constitute the foundation of a successful startup journey.

Gülşah Güven, LL.M., Partner

[1] https://noyb.eu/files/CJEU/judgment.pdf, accessed: 07.07.2025
[2] https://curia.europa.eu/juris/document/document_print.jsf?doclang=EN&text=&pageIndex=0&part=1&mode=DOC&docid=152065&occ=first&dir=&cid=667631, accessed 07.07.2025
[3] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L_202401689, accessed 08.07.2025
[4] https://hudoc.echr.coe.int/eng#{%22itemid%22:[%22001-57586%22]}, accessed 08.07.2025
[5] https://hudoc.echr.coe.int/eng#{%22itemid%22:[%22001-69977%22]} , accessed 08.07.2025

Article

A Legal Analysis on the Recently Enacted “Climate Law”

1. Introduction

Climate change and the ensuing climate crisis have evolved into a global issue that necessitates future action plans and the assumption of responsibility by states, institutions, and individuals alike. .

In this context, Türkiye has taken its first significant step with the enactment of Climate Law No. 7552, which was adopted by the Grand National Assembly of Türkiye on 2 July 2025 and entered into force upon its publication in the Official Gazette on 9 July 2025. With this legislation, the country has established a legal foundation for fighting against the climate crisis. Accordingly, many aspects that had previously been defined merely as “targets” have now been transformed into “obligations.”

The primary objective of the Climate Law is to ensure that Türkiye’s fight against climate change is conducted in an effective, sustainable, and equitable manner in line with the **2053 Net Zero Emissions Target**, and to provide a legal framework to this end. The Law adopts the internationally recognized principle of “common but differentiated responsibilities and respective capabilities.”

2. Emissions Trading System (ETS)

A notable provision introduced by the Law is the establishment of an Emissions Trading System (ETS) in Türkiye for the first time. Through the allocation and trading of emission allowances, the system aims to limit or reduce greenhouse gas emissions using market-based mechanisms.

3. Carbon Markets

Carbon markets are structured as financial mechanisms to be managed and regulated by authorized market operators. Under the national ETS, both primary and secondary markets will be organized and activated for the trading of allowances as well as standardized contracts related to emissions trading. The authority responsible for operating this system and maintaining the market infrastructure will be Enerji Piyasaları İşletme Anonim Şirketi (EPİAŞ).

Additionally, **Voluntary Carbon Markets** will allow for the free trading of carbon credits among individual and institutional actors based on the principle of voluntariness. Registration of projects related to these markets by the designated authority has been made mandatory. Through the operation of voluntary carbon markets, Türkiye also aims to strengthen its integration into international carbon trading systems and contribute to the development of effective policies in this field.

4. Greenhouse Gas Emissions Permit

Enterprises expected to fall under the scope of the ETS are required to obtain a greenhouse gas emissions permit within three years from the effective date of the Law. During this transitional period, these enterprises will be deemed to possess a one-time valid emissions permit in order to continue their operations within the scope of the ETS. This regulation is intended to facilitate the transition to the system and to support the phased implementation of the ETS.

5. Protection of Agricultural and Natural Areas

Article 5 of the Law stipulates the prevention of carbon sink losses in forest, agricultural, pasture, and wetland areas, as well as the protection and enhancement of such areas. These ecosystems play a critical role in achieving the net zero emissions target by naturally capturing greenhouse gases from the atmosphere. The Law also envisages that climate-resilient crop patterns will be developed in the agricultural sector, planning will be conducted with consideration of the water budget, and nature-based solutions will be promoted. It also aims to expand the implementation of climate-resilient practices in agriculture and to ensure food security.

6. Powers and Responsibilities

The Law establishes the Directorate of Climate Change, which is vested with duties such as monitoring greenhouse gas emissions, preparing strategies and action plans, and regulating carbon pricing mechanisms. Moreover, a Provincial Climate Change Coordination Board is to be established in each province. These boards will be responsible for the preparation of local climate action plans.

a. Public Institutions

While the Directorate of Climate Change assumes a central coordinating role, it is mandatory to establish Provincial Climate Change Coordination Boards at the local level.

Ministries are granted duties and powers including policy formulation, regulation of carbon markets, and authority to request data.

Local administrations are obliged to prepare their climate action plans by the end of 2027.

b. Private Sector

Enterprises falling within the scope of the ETS are required to obtain a greenhouse gas emissions permit within three years.

The national ETS regulates the trading of allowances and carbon credits. Under this system, enterprises are allocated a specific amount of emission allowances, which must be surrendered in accordance with their annual emission levels.

c. Natural and Legal Persons

Natural persons and civil society organizations also assume a role in the fight against climate change under the Climate Law. In this respect, the obligation to comply with measures adopted under climate policies that serve the public interest is not limited to public institutions and the private sector, extending to individuals and societal organizations. The Directorate of Climate Change is authorized to request information and documentation directly from these actors when deemed necessary.

7. Sanctions

The Law stipulates that administrative sanctions and monetary fines will be imposed in cases of non-compliance with obligations. In this context, enterprises that fail to submit their emissions reports may be fined between TRY 500,000 and TRY 50 million. Additionally, measures such as the revocation of emissions permits or the temporary suspension of new permit applications have also been laid down. Violations that may give rise to penal sanctions include the failure to submit verified emissions reports on time, non-compliance with fluorinated gas regulations, failure to report required information to the database, or the continuation of ETS-related activities without a valid permit. However, administrative fines imposed for violations committed during the pilot phase prior to the full implementation of the ETS will be subject to an 80% reduction. Furthermore, the Directorate of Climate Change has been vested with the power to develop market-based carbon pricing mechanisms.

Conclusion and Opinion

Climate Law No. 7552 introduces provisions that will directly impact Türkiye's foreign trade policies. In particular, the provision concerning the establishment of a Carbon Border Adjustment Mechanism (CBAM) for managing the carbon footprint of imported products mandates a strategic transformation for export-oriented sectors. This mechanism aims to create a framework aligned with the European Union's CBAM practices and may result in additional costs and reporting obligations for the export of carbon-intensive products. Therefore, foreign trade enterprises will be required to decarbonize their production processes and adopt carbon pricing systems.

The Law introduces several new practices, such as the promotion of environmentally friendly production systems, the establishment of carbon markets, and the preparation of local climate action plans. However, the regulation has also been subject to criticism for prioritizing market-based instruments while offering limited mechanisms for public participation. In this regard, the implementation phase of the Law will be decisive for the success of Türkiye's climate policies.

Birgi Kuzumoğlu, Partner

Legality / Articles

Article

eBLs and International Maritime Trade: A Legal Perspective on Electronic Bills of Lading

The globalization and acceleration of trade today has necessitated digital transformation. Digital transformation, in turn, has created needs such as software and programming, security and legal regulation, recognition and assurance. Electronic bills of lading ("eBLs") used in international maritime trade are also a part of this digital transformation.

A bill of lading is a document evidencing that the goods have been received by the carrier and that the person carrying the goods is obliged to deliver the goods with the presentation of information regarding the carrier, the ship and the captain. In maritime transportation, eBLs are issued in a digital environment instead of paper via digital signature and encryption methods. The purpose of adopting this method is to speed up processes such as transportation and delivery and to reduce costs.

Regulations regarding electronic transportation documents vary based on the legislation of the respective. Turkish Law has also adopted digital transformation and innovative practices, and with the legal recognition of innovations in the legislation, transactions in the private and public sector have started to be carried out electronically. Under Electronic Signature Law, the Turkish Code of Obligations and the Turkish Commercial Code, eBLs can be issued in Türkiye and are considered legally valid.

Although the transition to eBLs, like any other electronic system, provides certain advantages, certain problems may still arise in practice.

A. Advantages:

1. With the transition to eBLs, a bill of lading does not need to be physically transported and can reach the consignee within seconds. Thus, tracking of the shipment becomes easier, and delays or errors in the document due to physical transportation are prevented. Thus, waiting times at the port are also reduced.

2. This system enables more efficient, auditable and systematic management of trade.

3. eBLs are more secure against theft or forgery than a paper-based bill of lading.

4. eBLs are more environmentally friendly than paper bills of lading, as they eliminate paper waste and the carbon footprint associated with physical transportation.

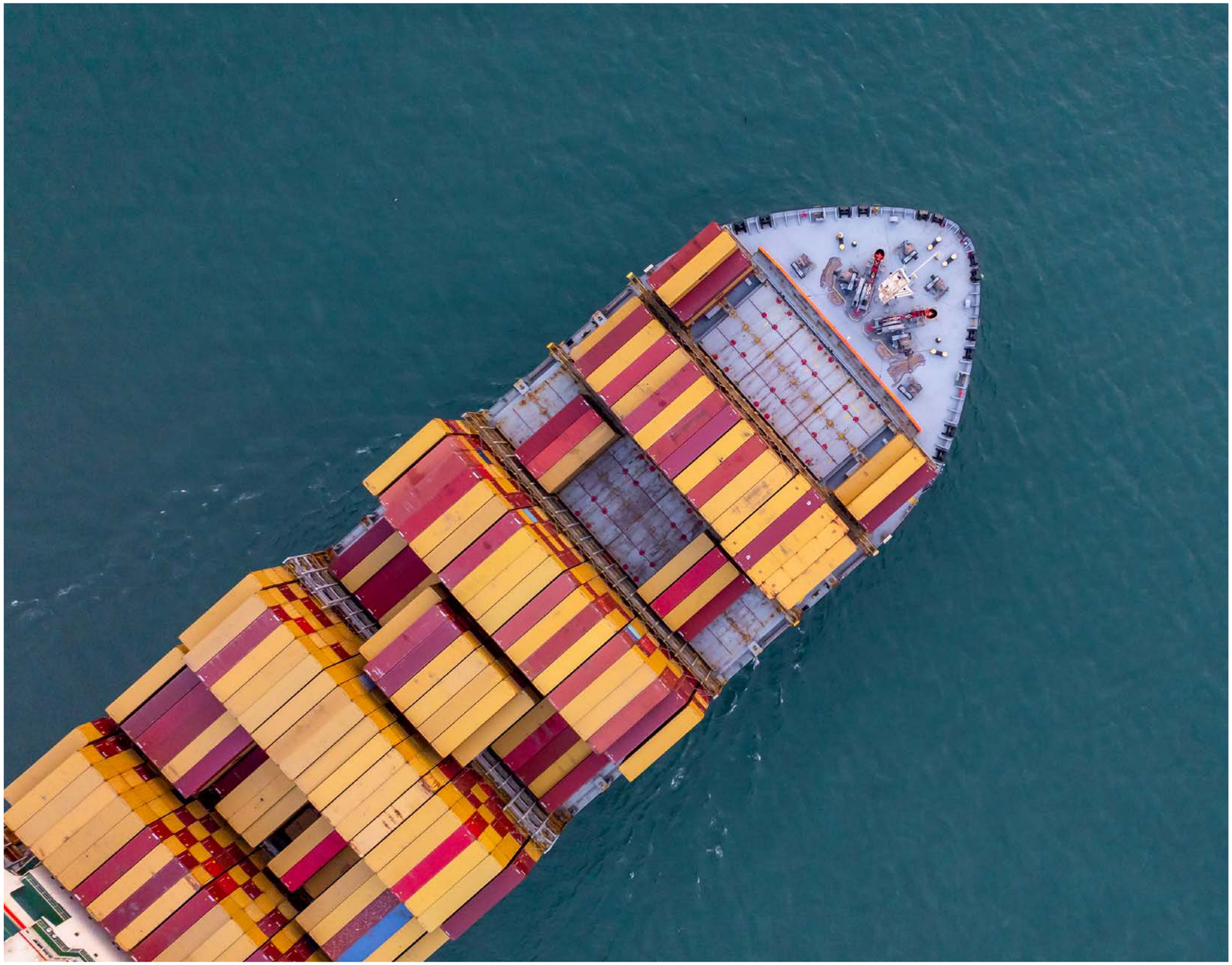
5. There are no costs such as storage, document loss and archiving.

6. Blockchain and other secure platforms can prevent the creation of multiple bills of lading or unauthorized access to them.

B. Practical challenges:

1. One of the challenges is that not all countries have adopted eBLs or incorporated them into their legislation. In fact, in countries that have not adopted or recognized eBLs, transactions involving them may be impossible.

2. Transactions cannot be carried out in a digital environment if one of the parties does not use eBLs, which is a new practice, and finds papers more reliable, despite the regulations in their countries.



Legality / Articles

3. In the event of a system crash or power outage, transactions may be disrupted.

4. Cyber-attacks represent another risk faced by any system that transitions to electronic processes. This risk is not unique to eBLs. However, the use of blockchain technology and other security measures significantly reduces the risk, ensuring the secure and reliable use of eBLs.

Betül Önal Payze, Senior Associate

Article

The Importance of Initial Public Offerings for Companies and Investors

An initial public offering (IPO) refers to the first-time or subsequent offering of all or part of a company's shares to investors through the stock exchange. Shares are offered at a predetermined price to a broad range of investors, from small investors to large institutional funds, thereby expanding the company's shareholder base. Prior to an IPO, a company's shares are typically held by its founders and early-stage investors. Following the IPO, the shares begin to trade on the stock exchange and become accessible to all types of investors. The goal is to raise capital, enhance corporate governance and increase transparency.

When a privately held joint stock company offers its shares to the public for the first time, this process is referred to as a "initial public offering." If a company that has previously completed an IPO offers its shares to the public once again, this is known as a "secondary offering."

IPOs present significant strategic and financial opportunities both for companies and investors. Accordingly, going public serves as an alternative means of financing and liquidity for companies and offers new investment opportunities for investors.

A. Advantages for Companies

Source of Financing: An IPO is a crucial method for companies to raise the capital they need. By offering a portion of their shares to investors through capital markets, companies can generate cash resources. Since the proceeds from IPOs do not require interest payments or repayment at maturity, IPOs conducted through capital increases offer a significant advantage over other financing methods.

Liquidity Opportunity: Through an IPO, company shares begin to trade on capital markets. This allows existing shareholders to sell their shares whenever they choose, providing them with a substantial liquidity advantage.

Institutionalization: The majority of companies in Türkiye are family-owned businesses. Companies that go public become subject to regular oversight by institutions such as the Capital Markets Board (CMB) and Borsa İstanbul. As a result, IPOs impose responsibilities such as transparency, timely and accurate public disclosure, independent external auditing, and the application of international accounting standards. These requirements help family-owned businesses transition toward more institutionalized and professionally managed structures.

Recognition and Reputation: Information about publicly traded companies is shared with investors via media organs and disclosure platforms such as the Public Disclosure Platform (KAP) under the capital markets legislation and the principle of public transparency. Moreover, companies announce their IPO on multiple platforms to attract investors. This increases the company's public recognition and visibility.

Transparent Share Valuation: Once a company's shares are traded on the stock exchange, its value and share price are determined by the market on an ongoing basis. This serves as a useful benchmark for both investors and the company in strategic decisions such as mergers and acquisitions.

Creditworthiness: Publicly traded companies have higher financial transparency, and their key data can be monitored by investors, creditors, suppliers, and business partners. This enhances the company's credibility and prestige in the eyes of consumers, investors, and financial institutions. Consequently, such companies are considered more creditworthy by banks and other lenders.

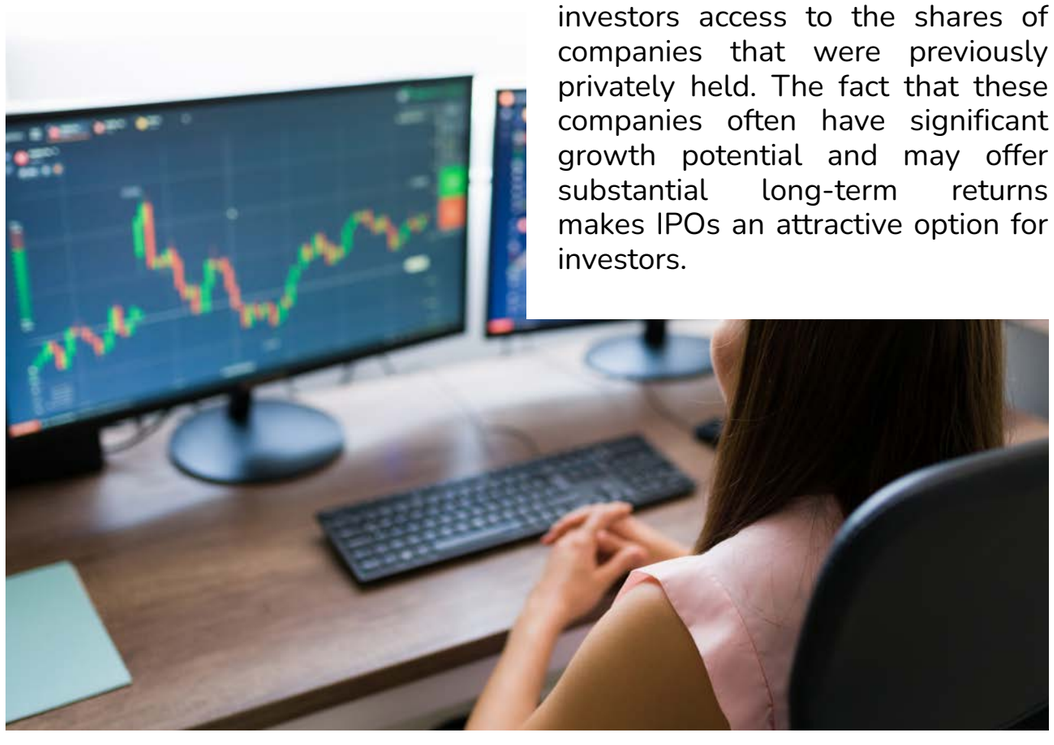
Secondary Offerings and Capital Increases: Following an IPO, companies may meet additional

financing needs through secondary offerings or capital increases by restricting pre-emptive rights of existing shareholders. This provides companies with easier access to additional capital during growth periods. Public companies also benefit from the registered capital system, allowing for quicker and lower-cost capital increases.

While IPOs offer all these advantages, they also entail significant responsibilities for companies. Compliance with the requirements and regulations set by the Capital Markets Board (CMB) and Borsa Istanbul (BIST) becomes essential. In this respect, companies must fully meet obligations ranging from the preparation of prospectuses and independent audits to public disclosures and corporate governance practices. Therefore, it is vital that companies adopt a careful and well-planned approach from the preparation phase onward and establish structures capable of maintaining legal compliance after going public.

B. Advantages for Investors

Challenging economic conditions such as high inflation often drive investors to seek alternative investment avenues. IPOs provide investors access to the shares of companies that were previously privately held. The fact that these companies often have significant growth potential and may offer substantial long-term returns makes IPOs an attractive option for investors.



Pricing Advantage

IPOs are generally conducted at valuations that offer attractive pricing, often below the anticipated market value. Investors who participate in an IPO may achieve high returns on their investment if the company's value increases over time.

Portfolio Diversification

As companies from a variety of sectors go public, investors gain the opportunity to diversify their portfolios. Diversification helps spread investment risk and supports the development of long-term investment strategies.

Public Oversight and Reliability

Publicly traded companies are subject to supervision and oversight by the CMB and Borsa İstanbul, which builds investor confidence in the company's transparency and governance standards. In addition, public companies are required to disclose material developments and publish regular financial reports through the Public Disclosure Platform (KAP), enabling investors to make more informed decisions.

Liquidity

Publicly traded shares can be bought and sold easily on the stock exchange, allowing investors to meet urgent cash needs when necessary.

In summary, the IPO process offers numerous advantages for both companies and investors. While companies gain access to capital, greater institutionalization, and enhanced reputation, investors benefit from new investment opportunities, liquidity, and the potential for substantial returns. However, it is important to note that IPOs also involve significant legal and administrative compliance obligations for companies, both before and after going public. Therefore, the engagement of professional support within the framework of capital markets law is essential for carefully planning and meeting the requirements of an IPO process.

Yiğit Okuldaş, Executive Associate

Article

Algorithmic Risk Scoring in Cyber Insurance Policies

1. Cyber Insurance

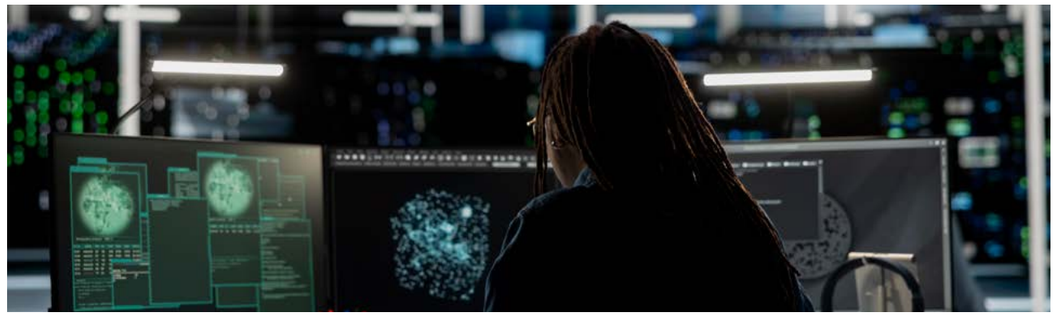
With the rapid advancement of technology, the variety of risks has also increased. This diversification has led to the emergence of new types of insurance policies within insurance law. One such policy is cyber insurance. As crimes and torts have increasingly migrated into the digital environment due to the close integration of the virtual and real worlds, the necessity of covering risks that may arise in cyberspace has emerged.

In this context, cyber insurance refers to a type of policy designed to protect businesses against potential damages arising from the exposure or compromise of sensitive and confidential information that must be protected.

Events that may occur as a result of cyberattacks include data deletion or manipulation, business or production interruptions, extortion, threats, and reputational damage. Among these, reputational damage is considered the most severe risk.

Cyber insurance has been a topic of discussion globally since the 1990s, whereas awareness on the subject in Türkiye began to emerge around 2010. As of now, there is no specific legislation regarding

Legality / Articles



cyber insurance under Turkish law. Therefore, the general provisions of the Turkish Commercial Code No. 6102 and other relevant regulations governing insurance law are applied to cyber insurance.

2. The Use of Algorithmic Risk Scoring in Cyber Insurance

The rapid advancement of technology has triggered digital transformation across various sectors, significantly impacting the insurance industry as well. In this context, artificial intelligence (AI), which has started to play a major role in many industries, has also influenced several key processes in the insurance field, including data analysis, risk assessment, policy pricing, claims evaluation, and customer relations.

One of the areas where AI is most needed is the calculation of risks in cyber insurance, which involves highly complex risk factors—unlike more traditional forms such as life, property, or commercial insurance.

AI can analyze large and complex datasets and perform risk scoring through algorithms to evaluate a company's cyber risk level. A subfield of AI, machine learning (ML), has the ability to detect patterns in massive data sets and use these patterns to make predictive assessments. As such, ML plays an active role in risk evaluation. It generates risk scores by taking into account parameters such as a company's history of cyberattacks, its IT infrastructure, and the cybersecurity awareness level of its employees.

3. Disadvantages of AI Applications in Insurance: Information Asymmetry

Since AI and ML algorithms are complex and often difficult to interpret, they make it challenging for users to understand how decisions are made, and to detect or correct potential errors and biases. The opacity of these algorithms' internal workings may undermine user trust and lead to potentially unfair practices. For this reason, the explainability and transparency of

AI and ML systems are of critical importance.

When these algorithms cannot be sufficiently understood by policyholders—or when the inability to comprehend them prevents the identification of underlying errors—it creates a problem of information asymmetry in the insurance contract from the policyholder's perspective.

"Information asymmetry" refers to an imbalance where one party to a contract has more or better information than the other. In this context, equal access to information means both parties can obtain the relevant knowledge without undue difficulty and are on equal footing regarding uncertain events that influence the contract.

In insurance policies, the policyholder generally possesses less technical knowledge than the insurer regarding the pre-determined contract terms and the insurance coverage itself. Thus, the policyholder is considered the weaker and more vulnerable party in the policy. This disparity gives rise to "information asymmetry" between the parties. Furthermore, since insurance policies are categorized as consumer contracts, and insurance is a legal product with a complex structure—unlike ordinary goods or services—there is an even greater need for legal protections against this imbalance.

In some cases—particularly in health insurance—the policyholder may have more information than the insurer regarding the underlying risk, and may not disclose this information transparently. In such situations, the asymmetry of information favors the policyholder. To mitigate this asymmetry for both parties, Turkish Commercial Code provisions impose a disclosure obligation on the policyholder and an informational duty on the insurer.

However, when insurers use AI-based algorithmic risk scoring systems to evaluate the fundamental component of the insurance policy, it may deepen the information asymmetry to the detriment of the policyholder. Given the complexity of these systems, the policyholder may be unable to comprehend the risk assessment or identify how the input data used in the algorithm might reflect different realities from their own perspective.

AI systems often reach conclusions based on unverifiable inferences and predictions about individuals' behaviors, preferences, or private lives. Even when such systems are fueled by rich and diverse datasets, reliance on unexpected or opaque variables may result in biased or discriminatory decisions, particularly when they are based on sensitive attributes related to private life.

Furthermore, because the policyholder cannot fully understand the risk evaluation process, they may be unable to adequately assess the proposed premiums or insured amounts. As a result, a clear case of *"information asymmetry"* arises. In such scenarios, there may also be violations of Article 11 of Turkish Law no. 6698 on the Protection of Personal Data.

Indeed, policyholders do not know how their data, provided to the insurer for risk calculation, are processed by AI, and therefore do not exercise their rights under Article 11, especially the paragraphs: *"d) Requesting the correction of personal data if they are incomplete or incorrectly processed," "g) Objecting to the emergence of a result against oneself by exclusively analyzing the processed data through automated systems."*

Ultimately, ensuring that AI and ML systems are fair, transparent, and accountable is essential to eliminating bias and preventing unjust treatment of individuals. The development and implementation of explainable AI (XAI) systems is vital for building trust and ensuring legal compliance. This calls for the creation of new standards and regulatory guidelines.

4. Policy Cancellation Issues

Insurance companies, based on the algorithmic scores generated by AI systems, may narrow the scope of coverage, cancel the policy altogether, or classify the applicant into a high-risk group and refuse to provide insurance. Although this does not contradict the principle of freedom of contract, it may lead to unfair outcomes, particularly due to the information asymmetry present at the moment the policy is formed.

Since insurance policies are standard-form contracts, unilateral cancellations based on algorithmic scoring should be subject to judicial review. However, due to the complex nature of these algorithms, the policyholder may not fully understand them and therefore may refrain from exercising their right to legal recourse.

5. Conclusion

While AI-based algorithmic risk scoring in cyber insurance policies increases speed and efficiency for the insurance industry, it also leads to issues of information asymmetry and lack of transparency for the policyholder. This situation may result in loss of rights for policyholders, particularly in cases involving policy cancellation or narrowing of coverage. Therefore, it is essential to enhance the explainability of algorithmic systems and to introduce new regulations in the field of insurance law to ensure fair treatment and legal certainty.

Duygu Yaren Yıldırım, Legal Intern

Guest Sector

Guest Sector

E-Commerce Market and Regulations in Türkiye

1. Evolution of E-Commerce Market in Türkiye

Internet connection efforts began in Türkiye in 1991 through collaborations between the Scientific and Technological Research Council of Türkiye ("TÜBİTAK") and the Middle East Technical University ("METU"), leading to the establishment of the first internet connection in 1993. In subsequent years, internet usage expanded beyond METU to various other universities, including Bilkent University, Boğaziçi University, and Istanbul University, which then led to the creation of private websites. In 1997, during a meeting of the Supreme Council for Science and Technology ("BTYK"), the Undersecretariat of Foreign Trade was assigned the role of coordinator while TÜBİTAK became the secretariat for a working group formed to establish an e-commerce network in Türkiye. Under the leadership of the Undersecretariat, an Electronic Commerce Coordination Board ("ETKK") was established in 1998. This board began defining the technical, administrative and legal infrastructure for e-commerce in the country and developing national and international policies and practices.

In 2001, "e-Türkiye" initiatives commenced. As part of these initiatives, the e-commerce working group contributed to preparing various action plans and reports. A Short-Term Action Plan, which included an e-commerce section, was prepared and enforced under the Prime Ministry Circular No. 2003/48. Following this, an E-Transformation Advisory Committee of Türkiye was established, and in 2008, overseas e-commerce transactions were performed. To further develop e-commerce, the then-Ministry of Development implemented the Information Society Strategy and Action Plan 2014-2018.

These efforts continued with the Ministry of Trade Strategic Plan 2019-2023. Currently, the Strategic Plan 2024-2028 is in effect. This plan primarily aims to increase Türkiye's participation in global trade, turn the country into a significant trade and logistics hub, ensure a reliable and competitive trading environment, and enhance institutional competence and technological infrastructure.

2. Enactment of the E-Commerce Law

Türkiye significantly accelerated its legal efforts concerning e-commerce from 2008 onwards. First, an Electronic Commerce Directive Working Group was established. Following the reports prepared by

this group, a project titled "Support for Complying with and Implementing the EC E-Commerce Directive," submitted to and approved by the European Commission, was put into practice under the coordination of the Ministry of Justice.

In 2010, the E-Commerce Law Preparation Commission drafted the Bill on the Regulation of Electronic Commerce, which the Ministry of Justice then submitted to the Grand National Assembly of Türkiye ("TBMM"). In the following years, the Ministry of Justice revised and resubmitted the bill to the TBMM. Finally, Law No. 6563 on the Regulation of Electronic Commerce (the "E-Commerce Law") was adopted by the TBMM in 2014 and came into force in 2015.

Initial Regulations and Scope

a. E-Commerce Law, Enforced on May 1, 2015

The E-Commerce Law, which came into force on May 1, 2015, aimed to create a secure and transparent environment for those engaged in e-commerce, prevent the misuse of e-commerce opportunities by malicious actors and put an end to practices detrimental to consumers.

The E-Commerce Law covered commercial communication, the responsibilities of service providers and intermediary service providers, contracts made through electronic communication, information obligations related to e-commerce, and applicable sanctions. In this context, the E-Commerce Law established rules concerning the general information that service providers and intermediary service providers must display in the electronic environment where e-commerce transactions occurred, as well as the information they must provide to buyers before contracting and during the order process, ensuring transparent and secure commercial practices.

b. Regulation on Commercial Communications and Commercial Electronic Messages, Enforced on July 15, 2015

Following the enforcement of the E-Commerce Law in May 2015, the Regulation on Commercial Communications and Commercial Electronic Messages, prepared for the Law's implementation, was published in the Official Gazette and became effective on July 15, 2015. The Regulation outlined the information obligations regarding commercial communications via electronic means and the rules to be followed for commercial electronic messages.

4. Significant Amendments to the E-Commerce Law and Secondary Regulations

The complexities and new needs introduced by e-commerce along with international developments resulted in significant revisions to the E-Commerce Law and related regulations. The primary goals were to prevent anticompetitive or restrictive practices, foster a multi-player structure in e-commerce, and ensure its healthy growth. These revisions are outlined chronologically below:

a. Amendments to the Regulation on Commercial Communications and Commercial Electronic Messages in 2020

Before the comprehensive amendments to the E-Commerce Law in 2022 and the new era introduced by them, the Regulation on Commercial Communications and Commercial Electronic Messages saw significant changes in 2020. The key amendment involved establishing the Commercial Electronic Messages Management System ("İYS"). This national database allows service providers to store and manage various types of communication consents (such as call, message, and email permissions) and recipients to display their given consents, exercise their right to receive or refuse commercial communications and handle complaint processes.

b. Amendments to the E-Commerce Law

i. Amendments of 2022

The most comprehensive and detailed amendment efforts, driven by the reasons explained above, resulted in the amendments to the E-Commerce Law in 2022. These amendments defined key concepts such as “e-commerce service provider” and “e-commerce intermediary service provider,” clearly outlining their obligations related to digital marketplace activities. Furthermore, companies exceeding specific thresholds in annual transaction volume and order numbers became obligated to obtain a license from the Ministry of Trade. This requirement aimed to enhance the effectiveness of oversight mechanisms in the sector and prevent unfair competition, thereby ensuring that platforms above a certain scale operated under public supervision.

The provisions were not limited to technical definitions; they also included various measures to address structural inequalities in the sector. Specifically, e-commerce intermediary service providers were prohibited from engaging in practices that create a competitive advantage over sellers within their marketplaces. Significant restrictions were also imposed on issues such as data usage, advertising activities, and online brand promotion. Moreover, notification obligations were introduced to allow for faster intervention in cases of intellectual property rights infringement or the sale of illegal products.

In addition, within the framework of “unfair commercial practices,” intermediary service providers were prohibited from pressuring businesses selling on their platforms, restricting their commercial decisions, or obtaining a unilateral advantage in contractual relationships. This provision aimed to prevent marketplaces from abusing their commercial power to disrupt market balance and to create an environment conducive for small and micro-sized businesses to thrive in the digital economy.

ii. Amendments of 2024

An amendment published in the Official Gazette on October 30, 2024, introduced new exemptions to the E-Commerce Law regarding the calculation of license fees for the license requirement imposed on electronic commerce intermediary service providers in 2022. This allowed for specific deductions from license fees, under certain conditions, for sales made abroad and expenditures incurred under investment incentive certificates. Notably, to support export-oriented activities and project-based investments, these deductible amounts could be quadrupled for 2024, deducted from the intermediary service provider’s net transaction volume. This reflected an approach that encouraged internationalization and investment.

c. Regulation on E-Commerce Intermediary Service Providers and E-Commerce Service Providers (“Regulation”)

Following the comprehensive and significant amendments to the E-Commerce Law, the Regulation on E-Commerce Intermediary Service Providers and E-Commerce Service Providers was adopted on July 1, 2022, with most provisions coming into force on January 1, 2023. The Regulation delineated the obligations of intermediary service providers and service providers operating in the sector, regulating many aspects that had a direct impact on the relevant operations.

The Regulation introduced a classification system for businesses based on their annual transaction volume, categorizing them on a scale of “medium,” “large,” and “very large”. It then prescribed different obligations according to these classifications. Detailed provisions, particularly concerning data usage, content responsibility, and marketplace operations, aimed to prevent platforms from engaging in anticompetitive activities. Additionally, intermediary service providers became subject to stricter obligations regarding content moderation, intervention in unfair commercial practices, and procedures for intellectual property

Legality / Guest Sector

rights infringements. The Regulation also defined the minimum content for intermediary agreements between parties and introduced rules for data sharing, promotional restrictions and internal communication systems in line with the principles of transparency and equality.

d. Amendments to the Regulation in 2025

As of March 8, 2025, various amendments to the Regulation have come into force, bringing significant updates. These updates aim to resolve practical issues concerning licensing obligations, data usage, and commercial practices of platforms. The amendments introduce a licensing requirement for e-commerce entities exceeding a certain transaction volume and order count, with fees determined progressively. This aims to strengthen public oversight and ensure transparency in the sector. Additionally, the powers of intermediary service providers in areas like data usage, ranking systems and promotional activities have been restricted in an effort to prevent large platforms from engaging in anti-competitive practices. The amendments also introduce upper limits on advertising and promotion budgets and impose restrictions on promotional and redirection practices between affiliated companies.

5. Outlook of E-Commerce in Türkiye as of 2025

According to the E-Commerce Outlook Report ("Report"), published by the Ministry of Trade on May 6, 2025, Türkiye's e-commerce volume exceeded TRY 3 trillion in 2024. This represents a 61.7% increase compared to the previous year, raising e-commerce's share of overall trade to 19.1%. The number of transactions reached 5 billion 910 million, with retail e-commerce volume hitting TRY 1 trillion 619 billion and retail transactions increasing by over 10%. Furthermore, the number of businesses engaged in e-commerce activities across Türkiye surpassed 600,000 in 2024, with sole proprietorships forming the vast majority. Female users accounted for 58% of total expenditures, demonstrating a higher share in cosmetics, personal care, and apparel compared to male users. Overall, as of 2024, e-commerce has achieved a more visible and influential position within the Turkish economy. This surge clearly reflects both a shift in consumer habits and the structural transformation of digital commerce.

Ahmet Oğul Aksoy, Associate

Special Day

Special Day
Journalists and Press Freedom Day, July 24

On 24 July 1908, following the proclamation of the Second Constitutional Era, newspapers in Istanbul refused to submit to pressure and censorship and decided to publish without restrictions. Since 1948, this date has been celebrated in Türkiye as Journalists and Press Freedom Day (*Gazeteciler ve Basın Bayramı*).

During the Turkish War of Independence, newspapers played a key role in boosting morale among soldiers and the public. Publications such as "İrade-i Milliye" and "Hakimiyet-i Milliye" helped inform and mobilize the public under Mustafa Kemal Atatürk's leadership.

Even after the founding of the Grand National Assembly of Türkiye, journalism remained vital as a key issue in the country. Atatürk clearly emphasized the value of press in his speech on 1 March 1922: "*The high Assembly will certainly agree that our government must pay first-degree attention to the press, whose importance and nobility are evident in world civilization, and that the efforts made in this regard should be regarded as one of the most vital duties owed to our nation.*"

Freedom of press is the foundation of the public's right to truth and a cornerstone of modern democracy. It is not just about journalists doing their jobs or reporting independently, it is about a society's ability to breathe. Indeed, the press represents the power to question, investigate, and challenge what lies on the surface.

In Türkiye, press freedom is protected under the Turkish Constitution, where Article 26 states, "*Everyone has the right to express and disseminate his/her thoughts and opinions,*" Article 28 states, "*The press is free, and shall not be censored. The State shall take the necessary measures to ensure freedom of the press and information,*" and Article 30 states, "*Press equipment shall not be seized.*"

Press freedom is also a natural extension of freedom of expression. Law plays a crucial role in safeguarding this right, preventing violations, and protecting society from disinformation.

Enacted to this end, the Disinformation Law (Article 217/A of the Turkish Penal Code) imposes penalties for deliberately spreading false news. However, the lack of clarity in its implementation and interpretation raises concerns about potential restrictions on press freedom. In this framework, law must strike a careful balance, combating falsehoods while protecting freedom of speech and press.

Press freedom, which warrants the right of access to reliable information, is essential for any democratic society. We honor all journalists who pursue this vital mission with dedication. Happy Journalists and Press Freedom Day!

Nur Yeşildağ, Associate

Legality / Special Day

News to the World

Legality
News to the World

Legality / News to the World

Amendment to the Regulation on the Payment of Wages, Premiums, Bonuses and Similar Entitlements via Banks Published in the Official Gazette

On 4 June 2025, the "Regulation Amending the Regulation on the Payment of Wages, Premiums, Bonuses and Similar Entitlements via Banks" ("Amended Regulation") was published in the Official Gazette No. 32920. Previously, employers that employed journalists under Press Labor Law No. 5953 along with employees designated in the Labor Law were required to pay all entitlements via bank transfer if the total number of these journalists and employees was at least five. The Amended Regulation lowers this threshold to three. Accordingly, if the total number of journalists and employees exceeds three, employers must now make all net monthly payments through a bank.

Similarly, employers or their representatives subject to the Maritime Labor Law who employed at least five seafarers in Türkiye were obliged to make their monthly payments through banks. The Amended Regulation now sets the minimum at three seafarers.

The obligation to make payments via banks also applies to all employers and third parties subject to the Labor Law who employ at least three workers in Türkiye. The Amended Regulation entered into force on 1 July 2025.

See the full Amended Regulation at:

https://www.resmigazete.gov.tr/eskiler/2025/06/20250604-9.htm

Presidential Circular No. 2025/10 on the Accessibility of Websites and Mobile Applications Published

On 21 June 2025, the “Presidential Circular on the Accessibility of Websites and Mobile Applications” (“Circular”) was published in Official Gazette No. 32933. The Circular emphasizes the need to make websites and mobile apps more accessible for elderly and disabled users in line with rapid digital transformation. Accordingly, websites and mobile apps must feature user-friendly interfaces and content suitable for all user groups.

The Ministry of Family and Social Services has been tasked with setting the relevant procedures and standards. It will establish three commissions for monitoring, advisory and evaluation to ensure accessibility of websites and mobile apps. Institutions and organizations whose websites and mobile apps are confirmed as accessible following the monitoring process will be granted the right to use an accessibility logo for two years.

Public institutions, universities, large electronic communication companies and e-commerce service providers must align with the A-Level Website and Mobile App Accessibility Checklist available on the Ministry’s website and comply with WCAG 2.2 (Web Content Accessibility Guidelines) standards. While public institutions, universities, and large electronic communication companies must comply with the Checklist and the standards within one year, e-commerce service providers must do so within two years.

See the full Circular at:

https://www.resmigazete.gov.tr/eskiler/2025/06/20250621-17.pdf

New Communiqué (No. 2025/2) on Block Exemption for Specialization Agreements Published on the Official Gazette by the Turkish Competition Authority

On 26 June 2025, the Communiqué on Block Exemption for Specialization Agreements (Communiqué No. 2025/2) (“New Communiqué”) was published in Official Gazette No. 32938, replacing the previous Communiqué No. 2013/3. The New Communiqué redefines the conditions for block exemption from the prohibition under Article 4 of Law No. 4054 on the Protection of Competition.

Several key definitions have been updated. Accordingly, the definition of “distribution” now explicitly includes the commercialization of specialized products, referring to “the sale and supply of specialized products to customers, including their commercialization”. The term “potential competitor” has been revised to refer to “entities that could realistically enter the market, based on credible indicators and willingness to bear entry costs”.

The percentage for benefiting from block exemption has been lowered from 25% to 20%. Under the New Communiqué, specialization agreements qualify for exemption only if the parties' combined market share does not exceed 20% in the relevant market. Where the specialized product serves as an input, this threshold must not be exceeded in either the upstream or downstream markets. In calculating market share, the three-year average may be used instead of a single year, when deemed necessary, to ensure a balanced assessment. If the 20% threshold is exceeded, the exemption remains valid for two additional years.

Agreements that previously benefited from Communiqué No. 2013/3 but do not meet the New Communiqué's conditions must be brought into compliance within two years. During this period, the prohibition under Article 4 of Law No. 4054 will not apply to such agreements.

See the full Communiqué at:

https://www.resmigazete.gov.tr/eskiler/2025/06/20250626-6.htm

General Communiqué (No. 29) of the Financial Crimes Investigation Board Published

On 28 June 2025, the "General Communiqué of the Financial Crimes Investigation Board" ("Communiqué") was published in Official Gazette No. 32940. The Communiqué sets out that crypto asset service providers must implement the compliance measures under the Compliance Regulation during transactions requiring customer identification.

Crypto asset transactions conducted via platforms must occur at least 48 hours after the initial acquisition, exchange, or deposit of the asset. For initial withdrawal transactions, the minimum waiting period is 72 hours.

A daily transfer limit of USD 3,000 and a monthly limit of USD 50,000 have been introduced for crypto assets that give reference to other assets or rights for value protection. These limits may be doubled if Article 24/A(1) of the Measures Regulation is applied.

For crypto asset transfers, customers must provide a statement of at least 20 characters explaining the purpose of the transaction. However, certain restrictions may be waived, subject to board approval, for transactions conducted for liquidity provision, market making, or arbitrage purposes.

Custodians are also subject to these rules when carrying out transfers on behalf of or on account of platform users. However, transfers arising under capital markets legislation remain excluded from the scope of the Communiqué.

See the full Communiqué at:

https://www.resmigazete.gov.tr/eskiler/2025/06/20250628-4.htm

Amendments to Road Transport Legislation

The Regulation Amending the Road Transport Regulation ("Amended Regulation") was published in Official Gazette No. 32901 on 15 May 2025.

The Amended Regulation introduces a more controlled framework for courier services, especially targeting motorcycle couriers, by incorporating courier operations into the scope of the legislation. The amendments mark structural changes in the road transport sector. In this framework, all stakeholders are strongly encouraged to review the amendments carefully, assess their specific obligations and take immediate action to ensure compliance.

Authorization of Courier Operations

Real or legal persons intending to conduct courier transport within a province or between neighboring districts, for commercial or private purposes, will be granted a P-type authorization certificate based on their scope of activity. A P1 certificate is designated for operators working solely within a province or between border districts of neighboring provinces. A P2 certificate applies to those operating within one or more provinces or between neighboring districts across provinces.

Applicants for a P1 certificate must own at least five vehicles and have a capital of TRY 100,000, while P2 applicants must own at least 30 vehicles and hold TRY 500,000 in capital.

However, companies applying to operate with a maximum of three vehicles under a P1 certificate may benefit from reduced requirements, provided they apply in writing to the Ministry of Transport and Infrastructure. In such cases: (i) minimum capital and fleet requirements do not apply; (ii) the obligation to have a mid-level manager professional competence certificate or employ a mid-level manager with a professional competence certificate is waived; and (iii) an 85% discount will apply to the authorization certificate fee, raised to 95% for applications submitted by 15 November 2025.

P1-certified firms may open branches only within the province where their headquarters is located. Entities holding an M1 certificate may operate under P1 authorization while those with an M2 certificate may operate under P2.

Legal entities with a P1 certificate must employ at least one mid-level manager with the relevant professional competence certificate or the relevant professional qualifications.

Vehicle Requirements under P-Type Authorization

The Amended Regulation outlines detailed criteria on the type, number, age, and technical specifications of vehicles used under P1 and P2 certificates. Both allow registration of commercial/private motorcycles or mopeds, commercial vans, and commercial passenger cars.

Under a P1 certificate, the number of contractual vehicles may not exceed twice the number of owned vehicles. For P2, the ratio is ten times the owned fleet.

P1-certified operators may not register contractual vans or passenger cars while P2-certified ones may not register contractual passenger cars. Operators with P1 certificates for up to three vehicles may not add contractual vehicles via methods other than financial or long-term leasing.

For calculating minimum capacity for P1 certificates, vehicles acquired via financial or long-term leasing can be counted.

Motorcycles and mopeds registered under P1 or P2 certificates must have cargo boxes compliant with the PTT Domestic Sorting and Dispatch System Procedures, and these boxes must be recorded in the vehicle registration documents. Such vehicles must not be older than 10 years. However, for motorcycles or mopeds registered before 15 November 2025, a 15-year age limit applies until the first renewal of the certificate.

Passenger cars registered under P1 or P2 will not be counted toward minimum capacity calculations.

Rules Concerning S-Type Authorization Vehicles

The Amended Regulation also introduces rules for vehicles operating under an S-type authorization certificate in terms of their number, type and use.

A maximum of 100 owned buses may be registered under this certificate. The number of contractual buses may not exceed half of the owned buses. Operators authorized to use only up to three buses may not register any contractual vehicles.

For the registration of vehicles with an S certificate to be added to their vehicle title, the intended use stated in the vehicle title must match the activity type, namely “passenger transport” for passenger services, and “freight transport” for cargo services.

Vehicles with restricted license plates cannot be registered directly under S-type or other certificates. However, such vehicles may be registered by exception if the relevant UKOME (Transport Coordination Center) or Provincial Traffic Commission issues a reasoned decision stating that the vehicle will not negatively impact public transport planning.

Vehicles listed on the certificate may only be used for transport services provided to the individuals or organizations specified on the vehicle card. A single vehicle may serve up to three different organizations at once.

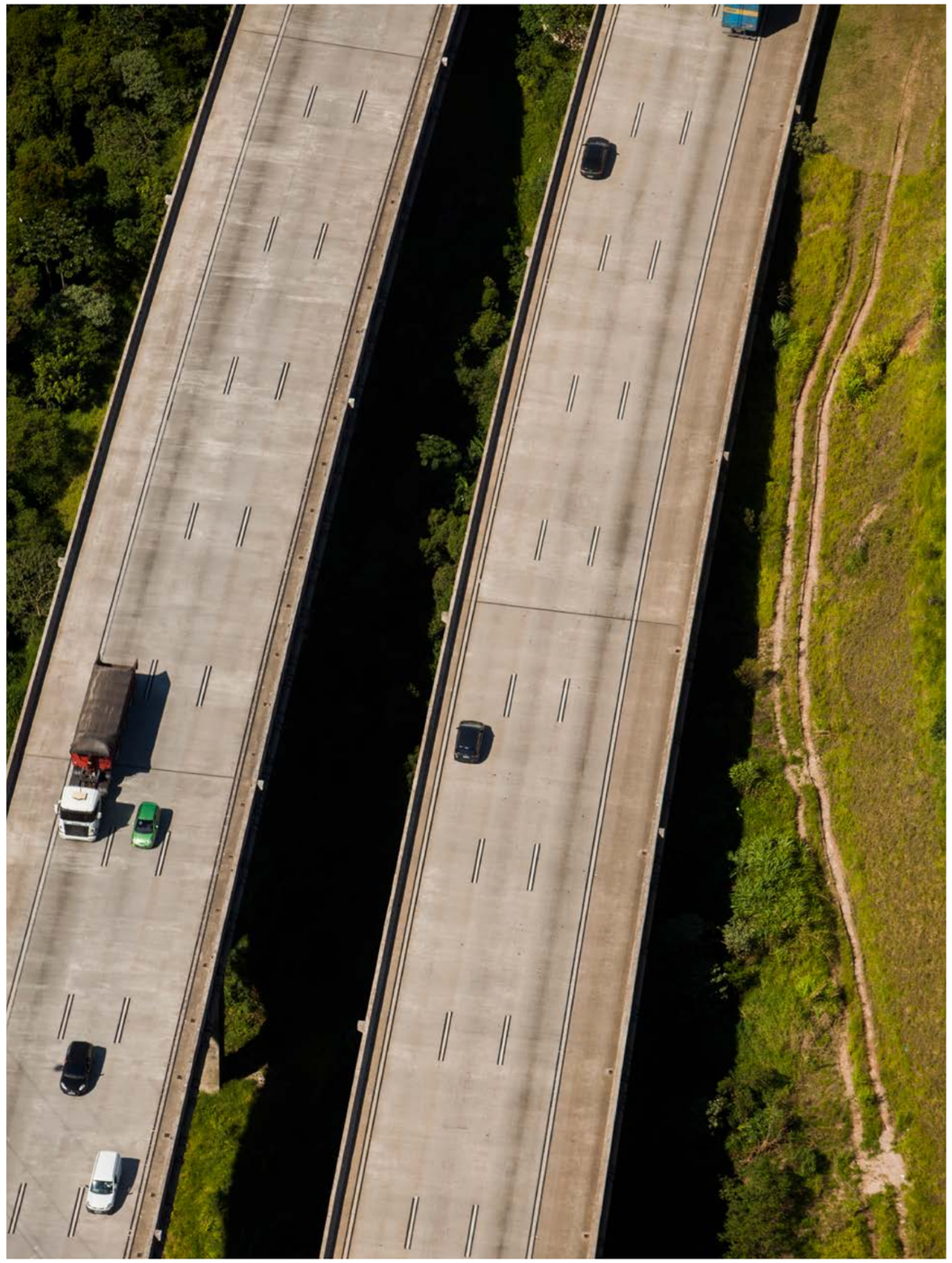
Use of registered and certified vehicles outside the authorized scope or by non-authorized parties is prohibited. Violations will result in 50 warning points, and if a company receives 10 different warnings within a calendar year, its certificate will be revoked.

Companies holding an S certificate must employ at least one mid-level manager with a professional competence certificate or having the required professional qualifications.

See the full Amended Regulation at:

https://www.resmigazete.gov.tr/eskiler/2025/05/20250515-1.htm

Legality / News to the World



World News

Legality
World News

EU–US Agree on New Trade Deal: 15% Tariff Set

U.S. President Donald Trump and European Commission President Ursula von der Leyen have reached a compromise in long-standing tariff negotiations. After months of uncertainty, a high-level summit held in Scotland resulted in a breakthrough agreement between the two sides. As a result of the meeting, the proposed tariff rate on imported goods was reduced from the previously debated 30% to 15%. With the agreement aimed at alleviating the customs crisis, the customs duty to be applied to imported products was set at 15%, thus eliminating the previously proposed rates of around 30%. In addition, the 25% duties for the automotive industry were also set at 15%. However, the existing 50% tariffs on steel and aluminum will remain in place.

As part of the agreement, the European Union (EU) pledged to increase imports of U.S. oil and other energy products up to $750 billion in the coming years. In addition, EU member states committed to ramping up purchases of U.S. defense and weapons systems to $600 billion. These commitments signal the EU's intention to deepen strategic ties with the U.S. in key sectors such as energy and defense. The leaders hailed the deal as a mutually beneficial step that brings greater stability and predictability to both sides. Investors expect the agreement to ease trade-related uncertainty and bolster confidence in financial markets. Analysts also suggest the move could strengthen the West's united stance against China and Russia.

TCS to Lay Off 12,000 Employees Amid Technological Transition

India's leading IT services company, Tata Consultancy Services (TCS), has announced plans to lay off approximately 12,000 employees, equivalent to about 2% of its global workforce, during the 2025 fiscal year. TCS CEO K. Krithivasan states that the company needs to adapt to new working models shaped by advances in artificial intelligence and automation. The decision reflects a broader transition as the company embraces emerging technologies, expands into new markets, and aims to build a more agile organizational structure in the face of economic uncertainty. The layoffs are expected to occur gradually over the course of the year and will primarily affect mid- and senior-level managers.

Krithivasan emphasizes that TCS is actively leveraging AI and that the layoffs follow a comprehensive assessment of the company's future skill requirements. While efforts are ongoing to retrain and redeploy staff in line with AI and evolving business models, the CEO acknowledges that in some areas, these measures have not been sufficient, necessitating job cuts. The company states that affected employees will receive severance packages, extended health insurance, and career transition support.

Industry analysts view TCS's move as a signal of broader digital transformation trends within the global IT sector, as companies recalibrate their workforce strategies to align with AI-driven operations. The layoffs are expected to bolster the company's long-term competitiveness.

ECB Holds Interest Rates Steady for the First Time

The European Central Bank (ECB) kept interest rates unchanged during its July 2025 meeting amid ongoing economic uncertainty. Earlier in the year, the ECB had lowered rates four times, including a cut to its main deposit rate from 3% in January to 2% in June. The decision to pause further rate cuts was influenced by eurozone inflation falling to the ECB's target level of 2%. Escalating global trade tensions also prompted the ECB to act cautiously.

ECB President Christine Lagarde noted that the eurozone economy performed better than expected in the first quarter, crediting this to earlier export growth, increased private consumption and investment, and favorable financing conditions. Lagarde stated that a strong euro could help further reduce inflation, and that global tariffs might help limit price increases. However, she warned that if trade disputes intensified, exports, investments, and consumer spending could decline. Lagarde also highlighted that potential tariffs and global supply chain disruptions could exert additional upward pressure on prices.

Economists speculate that if no trade agreement is reached between the U.S. and the EU, the ECB may opt for another rate cut in September. However, if trade tensions ease, a rate hike could still be on the table. Future ECB decisions are expected to hinge on inflation trends, economic growth, and geopolitical developments.

US-Japan Trade Agreement Lifts US Markets

A new trade agreement signed between the U.S. and Japan will lower tariffs on Japanese automobile and auto parts exports to the U.S. from 27.5% to 15%. The deal also reduces tariffs in other sectors, previously set at around 25%, to a flat 15% for both sides. This places Japan in a favorable position compared to other auto-exporting countries still facing 25% tariffs.

Under the agreement, Japan has pledged $550 billion in investments in the U.S., focusing on sectors such as pharmaceuticals, semiconductors, energy, and automotive. President Trump stated that the U.S. would receive 90% of the profits from these investments, which will be made in the form of equity shares, loans, and guarantees. The deal will allow Japan to export more agricultural goods and automobiles to the U.S., while also aiming to increase U.S. access to the Japanese market.

Financial markets responded swiftly and positively to the news. Both the Dow Jones and S&P 500 indices climbed. Shares of Japanese carmakers like Toyota and Honda surged in Tokyo. President Trump claimed the agreement would create hundreds of thousands of jobs in the U.S. Japan reportedly secured tariff-free access for its automobile and spare parts exports to the U.S. without any quotas. Japanese tariff negotiator Ryosei Akazawa emphasized that this is the first time Japan has obtained such a significant advantage. The deal is viewed as a broader step forward in cooperation following the limited trade agreement reached in 2019.

China Proposes International AI Cooperation Framework

Chinese Premier Li Qiang called for global cooperation on artificial intelligence (AI) during the World Artificial Intelligence Conference (WAIC) held in Shanghai. Li proposed the establishment of a new international AI cooperation organization and warned that the dominance of AI by only a few countries or corporations posed global risks. He therefore emphasized the need for an inclusive system, supported by the United Nations. Premier Li also highlighted China's "AI Plus" initiative, which aims to integrate AI with industry and the broader economy, stating that China was ready to provide technological support, particularly to countries in the Global South. Following his speech, the Chinese Ministry of Foreign Affairs released a 13-point global action plan on AI governance, calling for open innovation and shared technological progress.

This proposal comes in the wake of the U.S. move to ease AI sector regulations. China aims to gain greater influence in global AI governance through this initiative, presenting it as an alternative to U.S.-led efforts and advocating for a more inclusive and multilateral AI framework.

Experts note that the U.S. is pursuing a more restrictive approach, aiming to contain China's rise. While China focuses on expanding cooperation with countries under the Belt and Road Initiative, the U.S. is expected to maintain support from allies such as Japan and Australia. Despite American restrictions, China continues to develop domestic chip technologies.

Amazon Shuts Down AI Research Lab in Shanghai

Amazon has announced the closure of its artificial intelligence (AI) research lab in Shanghai. Established in 2018 under Amazon Web Services (AWS), the lab was known for its work on open-source projects such as the Deep Graph Library (DGL), a “deep learning” framework focused on graph-based data. However, ongoing U.S. restrictions on semiconductor and technology exports to China have increasingly limited the operations of American companies in the region. These prolonged tensions have led major tech firms like Amazon to scale back or completely withdraw their R&D investments in China. President Trump’s aggressive tariff policies have accelerated this trend, while the Chinese government continues to promote self-sufficiency in AI and technology development.

Amazon confirmed that the decision reflected strategic changes in its business dealings with China and aligned with broader U.S. restrictions on technology transfers to the country. The closure of the lab coincides with China’s ambitions to build an independent AI ecosystem and marks a significant moment in the U.S. fight for technological leadership. This move underscores the growing global technological competition between China and the U.S.

S&P 500 and Nasdaq Close at Record Highs

On Friday, U.S. stock markets rose as investors remained optimistic despite U.S. President Donald Trump’s announcement that trade talks with Canada had ended. The S&P 500 and Nasdaq indices closed at historic highs, signaling a strong rebound in market sentiment.

The S&P 500 gained 0.52% to close at a record 6,173.07, after testing an intraday high of 6,187.68 with a 0.76% increase. The Nasdaq Composite also rose by 0.52%, finishing the day at 20,273.46 points. Meanwhile, the Dow Jones Industrial Average climbed 432 points to reach 43,819. This upswing is seen as one of the strongest recoveries since the declines in April, which were driven by uncertainty over trade policy and rising tariffs. Investor confidence was particularly boosted by U.S. Commerce Secretary Howard Lutnick’s remarks that a trade framework had been established with China. Lutnick also stated that the U.S. could soon reach agreements with other major trading partners.

Additionally, momentum in the artificial intelligence sector and strong financial results from tech giants such as Nvidia, Microsoft, and Alphabet further supported the indices’ upward movement. Analysts emphasize that the rally is underpinned by both easing geopolitical tensions and corporate earnings reports that exceeded expectations.

EU Directive to Require All Rental Cars to Be Fully Electric by 2030

The European Union (EU) is planning new regulations that would require all rental car fleets to consist exclusively of electric vehicles starting in 2030. The move will directly impact major rental companies such as Sixt, Hertz, and Europcar, and is expected to bring significant changes to the rental car market, which accounts for around 20% of all vehicle registrations in Europe.

However, the proposed transition has drawn criticism from some industry representatives. Due to inadequate charging infrastructure and long charging times, many rental companies had already scaled back their electric vehicle fleets. Sixt CEO Nico Gabriel warned that such a mandate could lead to a reduction in fleet size, which could, in turn, drive up rental prices. German Chancellor Friedrich Merz also voiced concern, arguing that focusing solely on electric vehicles could weaken the automotive sector's competitive edge and emphasized the importance of maintaining technological flexibility.

The European Commission is expected to present the draft regulation during the summer. However, for it to become law, it will require approval from both the European Parliament and the EU Council. Experts note that while the mandate would significantly contribute to Europe's carbon emissions reduction goals, it must be supported by improvements in infrastructure and supply chains.

The proposal is seen as a sign of major transformation within the European automotive industry and is expected to accelerate the adoption of electric vehicles. Nevertheless, the transition may prove difficult for the sector and could potentially lead to increased costs for consumers.

Legality / World News

News from Şengün

Legality / News from Şengün

Legality
News from Şengün

The IPO, Investment and Entrepreneurship Commission, established within the Union of Chambers and Commodity Exchanges of Türkiye (TOBB) Compliance and Mediation Center (TOBBUYUM), has officially commenced its activities. Our Founder Nedim Korhan Şengün has been appointed as the Chair of the Commission.

Under the leadership of Nedim Korhan Şengün, Chair of the Commission, and Dr. Onur Yüksel, TOBBUYUM's General Manager, the Commission will focus on raising awareness and strengthening the knowledge base regarding public offerings, investment processes and entrepreneurship within the Turkish business landscape. To this end, the Commission aims to develop strategic models that offer practical solutions to the challenges faced by businesses and to introduce innovative and effective methods for resolving the relevant disputes.

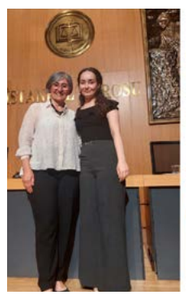
As Şengün & Partners Attorney Partnership, we are honored to lead this valuable initiative that will help flourish the Turkish business landscape and take pride in contributing to the advancement of Türkiye's capital markets and entrepreneurial culture.

Legality
News from Şengün

Nedim Korhan Şengün, our Founder and Chair of TOBBUYUM IPO, Investment and Entrepreneurship Commission, has intensified his professional engagements in Ankara. As part of these efforts, he visited the OSTIM Industrialists and Businesspeople Association (OSIAD) together with Dr. Onur Yüksel, TOBBUYUM General Manager.

During the meeting with OSIAD President Esat Hisarcıklılar and OSIAD Secretary General Emrah Çağrı Yeni, the parties exchanged views on recent developments in the Turkish and Ankara business ecosystems.

Şengün & Partners Sustainability and Compliance Center (SUM) has published the second issue of its Special Newsletter for 2025 as part of its ongoing efforts to support companies in developing sustainable policies in environmental, social, and governance (ESG) issues. The newsletter was prepared under the coordination of Partner Birgi Kuzumoğlu, with contributions from the relevant attorneys.



On 11 June 2025, Gizem Yağmur Gölbaşı, Creative Director at Şengün & Partners Attorney Partnership, attended a conference titled “Water-Sensitive Cities in the Face of Disasters and Shocks”, organized by the Istanbul Bar Association’s Commission on Environmental, Urban and Zoning Law.

With a presentation by Prof. Dr. Hayriye Eşbah Tunçay, Chair of the Landscape Architecture Department at Istanbul Technical University, the conference addressed the scientific and legal foundations of building cities resilient to the climate crisis. The event thus emphasized the guiding role of legal systems in aligning business practices with sustainability policies in line with the United Nations Sustainable Development Goals for 2030.

On 19 June 2025, Birgi Kuzumoğlu, Partner at Şengün & Partners Attorney Partnership, attended the 22nd event of the TUSIAD Corporate Entrepreneurship Series, held in Izmir and hosted by Yaşar Holding, upon invitation.

Bringing together leading stakeholders of the Izmir entrepreneurship ecosystem and representatives from the business circles, the event aimed to foster an entrepreneurial culture, encourage collaboration, and contribute to sustainable growth.

The program concluded with a networking session designed to promote engagement among participants, followed by a tour of the exhibits at Yaşar Museum.

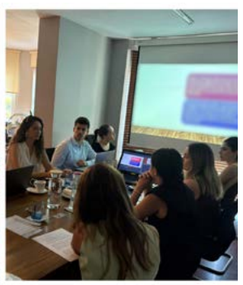
Legality
News from Şengün



On 1 July 2025, an event titled “Transformation in Business: Corporate Resilience Through Investments, IPOs, and Compositions” was hosted by Izmir Chamber of Commerce in collaboration with TOBBUYUM Dispute Resolution Center, with support from the Aegean Region Chamber of Industry (EBSO) and Izmir Commodity Exchange. The event focused on key dynamics of business investment and financial strategy.

Nedim Korhan Şengün, Founder at Şengün & Partners Attorney Partnership and Chair of TOBBUYUM IPO, Investment and Entrepreneurship Commission, delivered a comprehensive presentation titled “IPO, Investment, and Entrepreneurship.” His remarks addressed the legal considerations of IPO processes, capital market dynamics, and strategic investment planning.

Birgi Kuzumoğlu, Partner at Şengün & Partners Attorney Partnership, also attended the event. The session concluded with a Q&A, during which participants’ questions were addressed.

Şengün & Partners Attorney Partnership’s Elevate Working Group, which leads the firm’s innovation initiatives, held the “Şengün & Partners Workshop” on 10 July 2025. The workshop focused on evaluating innovative perspectives and models and was concluded with the decision that similar sessions and collaborative meetings supporting internal development and entrepreneurial thinking would be held regularly going forward.

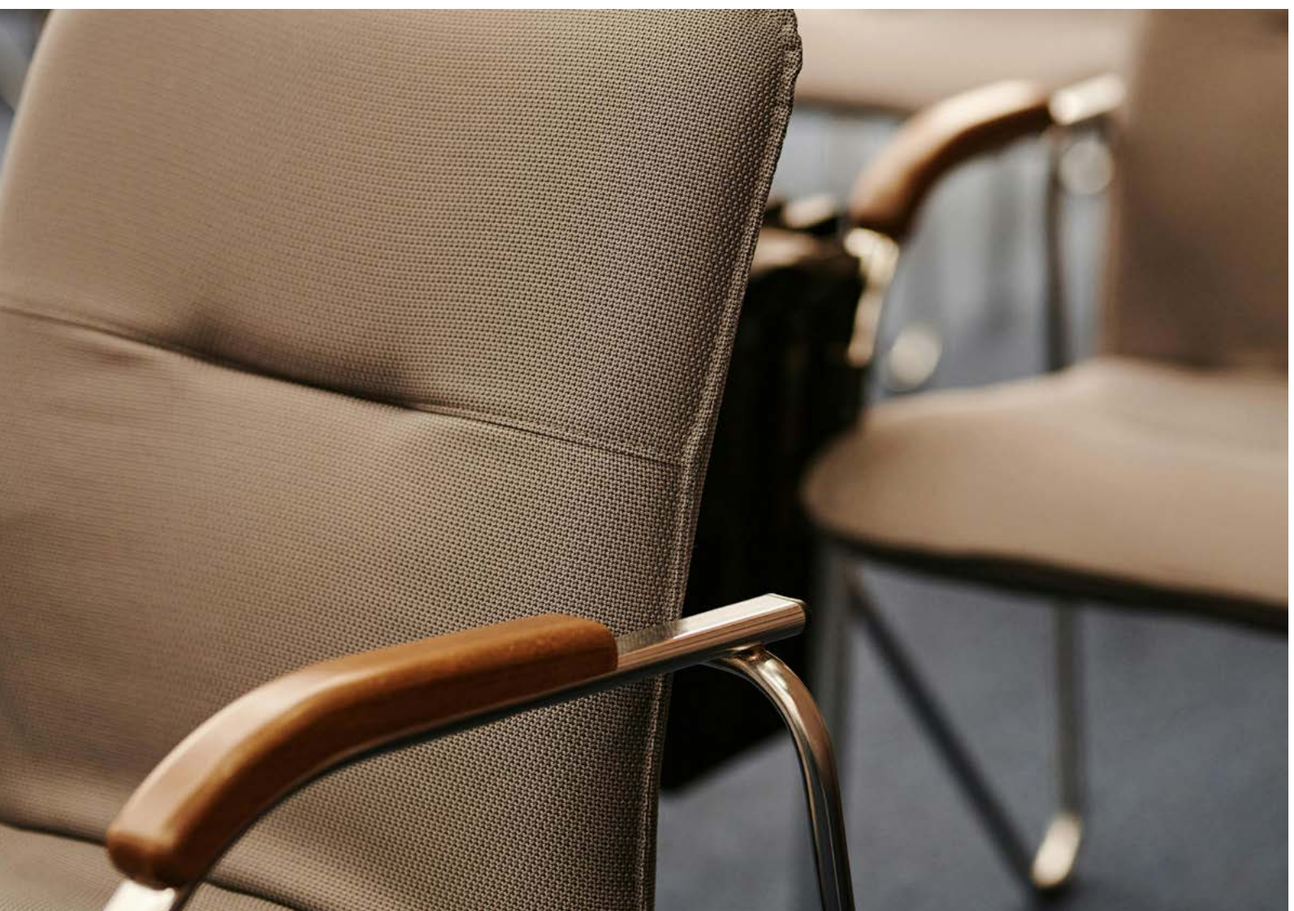
Şengün & Partners Competition Law Institute published the third issue of its newsletter series, which covers recent developments in competition law in Türkiye and around the world.

Şengün Academy Highlights

Legality

Şengün Academy Highlights

Şengün Academy is a Global Knowledge Center.



Legality / Şengün Academy Highlights

Şengün Academy Highlights

Şengün Academy is a thought and analysis institution that examines and interprets global legal knowledge and harmonizes it with Turkish law to make meaningful contributions.

We offer special legal reports for industries and organizations and, upon request, hold briefing sessions and strategic evaluation meetings.

Our Academy acknowledges that law evolves not merely by being studied, but by being actively guided.

With its work on global, comparative and Turkish legal frameworks, our Academy seeks to advance law as a discipline.

We remain steadfast in pursuing our research and engagement within this framework.

Şengün Institute Highlights

Legality
Şengün Institute Highlights

Legality / Şengün Institute Highlights

Şengün Institute Highlights

Şengün Institute is a specialized institute that closely monitors national and international legislation and processes on the protection of competition, opposes digital monopolization through legal means and analyzes the intersections between unfair competition practices and competition law.

The Institute follows the work of leading competition institutes worldwide, engages in dialogue and offers legal commentary and strategic assessments on current judicial developments.

With an unwavering commitment, the Institute pursues all forms of research, analysis, advocacy and action for the protection of competition.

Legality
Sources

- https://noyb.eu/files/CJEU/judgment.pdf, accessed: 07.07.2025
- https://curia.europa.eu/juris/document/document_print.jsf?doclang=EN&text=&pageIndex=0&part=1&mode=DOC&docid=152065&occ=-first&dir=&cid=667631, accessed 07.07.2025
- https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L_202401689, accessed 08.07.2025
- https://hudoc.echr.coe.int/eng#{%22itemid%22:[%22001-57586%22]}, accessed 08.07.2025
- https://hudoc.echr.coe.int/eng#{%22itemid%22:[%22001-69977%22]} , accessed 08.07.2025
- https://www.resmigazete.gov.tr/eskiler/2025/06/20250604-9.htm
- https://www.resmigazete.gov.tr/eskiler/2025/06/20250621-17.pdf
- https://www.resmigazete.gov.tr/eskiler/2025/06/20250626-6.htm
- https://www.resmigazete.gov.tr/eskiler/2025/06/20250628-4.htm
- https://www.resmigazete.gov.tr/eskiler/2025/05/20250515-1.htm

Legality
Location

Legality

"A seminal publication of Şengün Group"

June - July - August 2025 | E-Bulletin