

CLIENT ALERT

CORPORATE LAW | TURKEY

SEPTEMBER 2020

TURKISH RESTRICTIONS ON DIVIDEND DISTRIBUTIONS EXTENDED BY THREE MONTHS

Under Provisional Article 13 from 16 April 2020, restrictions on dividend distributions were added to the Turkish Commercial Code as part of Omnibus Bill No. 7244. These restrictions provided that, until 30 September 2020, a maximum of 25% of the net profit of capital companies for 2019 could be distributed, that no profits from previous years and free reserve funds of such companies could be distributed, and that company general assemblies would not be authorised to empower the managing body of the company to distribute any advance dividends.

Relying on the authority granted under these provisions, the President of the Republic of Turkey has now issued Presidential Decree No. 2948 (published in Official Gazette No. 31248 dated 18 September 2020), in which the restrictions on the distribution of profits and dividends have been extended for a further three months.



In compliance with Turkish bar regulations, opinions relating to Turkish law matters that are included in this client alert have been issued by Özdirekcan Dündar Şenocak Avukatlık Ortaklığı, a Turkish law firm acting as correspondent firm of Gide Loyrette Nouel in Turkey.

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