





May 2016



Labor Law

Amendments Regarding Labor Law and Turkish Labor Institution Law

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Amendments Regarding Labor Law and Turkish Labor Institution Law

The Law Amending the Labor Law and Turkish Labor Institution Law, no. 6715 (Law) was published in the Official Gazette and came into effect as of 20 May 2016.

Under the Law, private employment offices are authorized to establish temporary employment relationships and their scope is expanded in this regard.

According to the Law, private employment offices are entitled to temporarily transfer its employees to another employer by signing a temporary employee provision agreement. However, such offices shall obtain authorization



from Turkish Labor Institution.

It is possible to establish a temporary employment relationship regarding cleaning services, house holding services such as patient, elderly and child care services and seasonal agricultural work.

Temporary Employment in Public and Mining Sector is Prohibited

Under the Law, temporary employment contracts

can only be renewed for 2 times which will not exceed 8 months in total except for periodic increases in workload other than seasonal employment.

Temporary employment cannot be established in public institutions and mining sector. Furthermore, in work places where collective layoff was took place it is not allowed to employ temporary employee for a period of 8 months from the date of collective layoff. Besides, an employee whose employment contract was terminated cannot be employed temporarily for a period of 6 months after the termination.

Social Rights of Temporary Employees

Conditions of temporary employees cannot be worse than those which would have granted to them if there was a permanent employment relationship with such employees. Temporary employees can benefit from social services such as transportation, meal, canteen and childcare during the employment term. Education and childcare services shall also be provided by private employment offices during the unemployed periods of a temporary employee.

Employees of a private employment office shall be informed of all job openings in the relevant



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Remote Working

Remote working is also included to scope of "Work upon Call". Remote working is defined as performing within an employment organization at home or out of office by means of technologic communication instruments under a written employment contract.

In case of a remote employment, employees cannot be discriminated due to nature their employment agreement in comparison with regular employees without a valid reason.

Urban Renewal: Good News for Practitioners

Although it has been 4 years since the Law regarding Renewal of Areas under Disaster Risk no. 6306 (Law), also known as Urban Renewal Law, was entered into force, there are still uncertainties and legal discussion especially on 2/3 majority of property owners and third party rights in practice.

In order to solve the problems in practice and ensure that urban renewal projects are promptly and effectively realized, several amendments in the urban renewal legislation were introduced by the law no.6704 which was published in the Official Gazette on 26 April 2016.



Some of the fundamental amendments are explained below:

Article 3/7 of the Law which was found contrary to "principle of proportionality" and annulled by the Constitution Court was re-regulated. Under the amendment, buildings and structures which are not under disaster risk but still within a reserved area will be included in the projects to the extent that their evaluation is made considering that such building or structure is not under disaster risk.

Before the amendment, it was regulated that all encumbrances and endorsements on the title register regarding a real estate will remain on the shares until stage of type correction. However, it is now regulated that such rights or endorsements will not affect amalgamation, parceling, register, deregister or servitude transactions and approval of third parties regarding such rights will not be necessary.

As for the shares which do not participate the decision of 2/3 majority and are sold in auction by Ministry of Environment and Urbanization; any right on the title register such as liens, precautionary seizures, seizures or usufructs will remain on the sale price and any record or endorsement in the title

register will be revoked ex-officio by land registry office upon demand of the Ministry of Environment

and Urbanization.

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Another essential amendment introduced is regarding decision date of property owners general assembly meeting. As per the Civil Chamber no.18 of the Supreme Court's decision no. E. 2015/2026, K. 2015/17243, it was ruled that the majority of 2/3 principle for the renewal projects under the Law can only be applied after such building or structure is pulled down and property ownership under law no.634 is changed to land ownership. In other words, a building will only be within the scope of Urban Renewal Law after it is pulled down and since the building will be subject to real estate property law no.634 before it is pulled down, any decision regarding the whole building shall be adopted unanimously by the property owners in accordance with Article 45 of the real estate property law no.634. However with the amendments, it is regulated that any projects regarding a building under disaster risk can be decided with 2/3 majority shares of the property ownership before or after the building is pulled down. Therefore, the uncertainty with the practice has been eliminated and such Supreme Court decision became invalid.

Turkish version of the law no.6704 can be found at the following link: http://www.resmigazete.gov.tr/eskiler/2016/04/20160426-11.pdf

Recent Banking Regulation and Supervision Agency Resolutions

Banking Regulation and Supervision Agency is decided as follows;

to entitle (i) Paytr Ödeme Hizmetleri A.Ş.,
(ii) Paytek Ödeme Kuruluşu Hizmetleri A.Ş. as paying agency by its resolution dated
21.04.2016 with no 6860 and 6861, and (iii)
Trend Ödeme Kuruluşu A.Ş. as paying agency
by its resolution dated 27.04.2016 with no 6864
and (iv) Papara Elektronik Para ve Ödeme
Hizmetleri A.Ş. as paying agency authorized
to issue electronic money by its resolution no
6862.

- to allow the Alternatifbank A.Ş. to provide its financial subsidiaries with support/consultancy service regarding (i) organization and process management, (ii) non-performing debt followup, (iii) financial transactions, (iv) preparation and report of financial statements and (v) training by its resolution dated 13.05.2016 with no 6892.
- to entitle Hedef Varlık Yönetim A.Ş. as asset management company by its resolution dated 21.04.2016 and no 6859.



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Answers. Not theories.

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