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## Twitter Faces Advertising Ban from BTK!

The Information and Communication Technologies Authority of Turkey (**BTK**) reached a decision on 19 July 2023 to ban Twitter, the worldwide known social media platform, from accepting advertisements from Turkey. The decision was published in the Official Gazette on 21 July 2023.

The grounds for the decision were Twitter's failure to fulfil its obligation to determine and notify a representative in Turkey, as required by Internet Law No. 5651.

According to the relevant regulation, foreign-based social network providers with more than one million daily accesses from Turkey are obliged to designate at least one authorized representative in Turkey to ensure the fulfilment of notifications, requests, or demands from judicial or administrative authorities, to respond to individual applications, and to fulfil other obligations within the scope of Law No. 5651.

BTK has a sanction mechanism in place for social network providers who fail to fulfil their obligations to designate a representative and comply with reporting obligations. In light of this, sanctions ranging from administrative fines to band throttling can be imposed on the social network providers notified by BTK regarding compliance with the legislation.

As per the Twitter Decision, individuals and legal entities who are taxpayers in Turkey will not be allowed to place new advertisements on Twitter hereinafter.

It is a matter of curiosity for everyone how this world-famous social media giant will react to this situation, and this issue seems to be discussed for a long time.

You can reach the full text of the decision [here](#) (only available in Turkish).

## The Limit on Rent Increase Continues

A provisional article had been added to the Turkish Code of Obligations with the regulation published in the Official Gazette on 11 June 2022. Pursuant to the added provisional article, it was prohibited to determine the current price more than 25% of the previous year's price in the agreements regarding the renewed residential lease until 01 July 2023. In recent months, the public was eagerly waiting to see whether the increase limit would continue.

Following the statement made by the Minister of Justice last month that the work on the regulation is ongoing, the relevant regulation was published in the Official Gazette on 15 July 2023. According to the relevant regulation, the 25% rent increase limit will be in force until 01 July 2024.

In addition, taxes and fees were also increased recently within the scope of revenue-increasing measures. According to the provisions published in the Official Gazette, VAT was increased to 20 per cent for products with 18 per cent and to 10 per cent for products with 8 per cent. Furthermore, notary, passport and visa fees were also increased. The lump sum fees regulated in the Law on Fees were increased by 50%. The 20% corporate tax rate set for 2023 was also increased to 25 per cent.

You can reach the regulation on rent increase [here](#) (only available in Turkish) and the regulation on taxes and fees [here](#) (only available in Turkish).

## New Rules Introduced within GDPR Implementation

On July 4, the European Commission proposed a new rule to facilitate collaboration between data protection authorities (**DPAs**) when implementing the General Data Protection Regulation (**GDPR**) in cross-border instances. The new regulation will provide precise procedural guidelines for agencies to follow when enforcing the GDPR in circumstances involving people from more than one Member State. Nevertheless, the Commission's new regulation has no effect on any significant parts of the GDPR, such as data subjects' rights, data controllers' and processors' responsibilities, or the GDPR's legitimate grounds for processing personal data. The proposal takes into account feedback from a wide variety of stakeholders, including the EDPB, civil society, industry, academia, and legal practitioners, as well as Member States to alleviate the procedural obstacles of processing the GDPR.

For example, it will impose a need on the lead DPA to deliver a summary of significant problems to their counterparts involved, stating the major features of the investigation and its opinions on the matter and so allowing them to express their views early on. From the beginning of the process, the idea will help to decrease conflicts and encourage consensus among authorities.

Individuals will benefit from the new guidelines since they will clarify what they must submit when filing a complaint and guarantee that they are adequately included in the process. The new guidelines will clarify firms' due process rights when a DPA probes a possible GDPR violation. As a result, the guidelines will result in faster case settlement, which means faster remedies for individuals and more legal certainty for corporations. The new laws will improve collaboration and enforcement efficiency for data protection agencies.

The amendments establish precise regulations to facilitate the seamless operation of the GDPR's cooperation and consistency mechanism, harmonizing laws in the following areas:

**Complainants' rights:** The proposal harmonizes the conditions for accepting a cross-border complaint, reducing the present barriers posed by DPAs operating under separate regulations. It creates common rights for complainants to be heard whether their concerns are rejected entirely or partially. When a complaint is examined, the proposal provides guidelines for their proper involvement.

**Rights of parties under investigation (controllers and processors):** The proposal gives the parties under investigation the right to be heard at key stages of the procedure, including during dispute resolution by the European Data Protection Board (**EDPB**), and clarifies the administrative file's content and the parties' access rights to the file.

**Streamlining cooperation and dispute resolution:** Under the plan, DPAs will be allowed to submit their opinions early in investigations and utilize all of the GDPR's cooperation instruments, such as joint investigations and mutual aid. These rules will strengthen DPAs' power over cross-border cases, ease early consensus-building in investigations, and reduce subsequent conflicts. The proposal contains comprehensive guidelines to expedite the completion of the GDPR's dispute settlement system and standard timelines for cross-border cooperation and dispute resolution.

The harmonization of these procedural components will aid in the fast conclusion of investigations and the provision of prompt remedies to persons.

You can reach the draft proposal from [here](#) (available in EU languages).



## Digital Transformation in EU Payment Legislation

The European Union (EU) has been publishing regulations on payment services gradually as part of the establishment of the European Single Payment Area and the single market aim. With the regulations made within this framework, it is aimed to ensure that the same rules apply to payment services in all EU member states, information is easily accessible, payment transactions are carried out as soon as possible, the rights of consumers are protected and diversity and competition in payment services are increased.

In this context, firstly, the EU published the Payment Services Directive (**PSD1**) on 13 November 2007. PSD1 was adopted by EU member states as well as Iceland, Norway and Liechtenstein, which are included in the European Economic Area. The regulation basically regulated electronic and non-cash payments, with some exceptions.

Another significant step of the EU took place in 2015. On 25 November 2015, the Second Payment Services Directive (**PSD2**) was adopted to improve the scope and existing rules in line with the developments in payment services. PSD2, which entered into force in January 2018, included open banking and payment order initiation services.

The latest development took place in June. On 28 June 2023, EU Commission published its highly anticipated proposals to renew PSD2. Commission published its proposals for the Third Payment Services Directive (**PSD3**) and Payment Services Regulation (**PSR**).

The PSD3 and PSR draft regulations mainly aim as follows:

- Combatting and mitigating payment fraud
- Improving consumer rights
- Further levelling the playing field between banks and non-banks
- Strengthening user protection and confidence in payments
- Improving competitiveness
- Extending the supervisory and enforcement powers of regulators.

In addition, the draft package identifies challenges for open banking practices in terms of effective and efficient access to data held by banks by account information service providers and payment initiation service providers, known as third-party providers. Moreover, in the context of consumer safeguards and fraud protection, measures have been set out under several headings, including IBAN/name verification, transaction monitoring and identity fraud liability.

The PSD3 proposal is being scrutinized by the European Council and the European Parliament. Endorsement and publication of the final version are expected towards the end of 2024 or early 2025. The draft PSR regulation states that it will enter into force 18 months after its publication and will be directly applicable. Meanwhile, Member States will have 18 months after the publication of PSD3 to transpose the relevant regulation into their national laws.

You can reach the full text of the draft PSD3 and the draft PSR [here](#) (available in EU languages).

## Current Developments in the Fintech Ecosystem

Fintechs are increasing their significance in the finance sector gradually. These developments, which are closely followed by the Turkish authorities, also prompted the Central Bank of the Republic of Turkey (**TCMB**) to take action. The TCMB published amendments to the date of compliance with the legislation regulating the procedures and principles regarding the authorisation, activities and issuance of payment and electronic money institutions. Pursuant to this re-

gulation dated 29 April 2023, the obligations to be fulfilled by payment and electronic money institutions until 30 June 2023 were regulated.

The latest development on the issue took place last June and TCMB amended the regulation on the compliance date for payment and electronic money institutions. On 27 June 2023, temporary article 1 of the Regulation Amending the Regulation on Payment Services and Electronic Money Issuance and Payment Service Providers (**Amendment Regulation**) and the Communiqué Amending the Communiqué on Information Systems of Payment and Electronic Money Institutions and Data Sharing Services of Payment Service Providers in the Field of Payment Services (**Amendment Communiqué**), which entered into force after being published in the Official Gazette, was amended and the compliance period for certain obligations was extended from 30 June 2023 to 30 September 2023.

In accordance with the Amendment Regulation, the obligations to be fulfilled until 30 September 2023 are as follows:

- Payment systems and payment service providers are required to comply with the remaining articles, except for the articles regulating the services that are not covered by the Law on Payment and Securities Settlement Systems, Payment Services and Electronic Money Institutions, and the protection of the funds collected against payment and electronic money of legal entities providing these services.
- Payment service providers that hold payment accounts since 1 December 2021 and are among the top ten participants according to the total number of transactions carried out in the Bank Payment Systems in 2020 are required to connect to the Bankalararası Kart Merkezi A.Ş. and provide the necessary infrastructure.
- It was allowed to continue to provide data sharing services, the technical requirements of which have been determined, by using non-standard services.
- Persons who obtained an operating permit prior to 1 December 2021 are required to comply with the non-applicable provisions of Regulation and the provisions of the regulations to be issued by TCMB regarding the management and audit of information systems.

In accordance with the Amendment Communiqué, the obligations to be fulfilled until 30 September 2023 are as follows:

- Payment service providers that have payment accounts since 1 December 2021 and are among the top ten participants in terms of the total number of payment transactions made in Bank Payment Systems in 2020, are required to connect to the BKM API Gateway and provide the necessary infrastructure.
- Similar to the above mentioned, it was allowed to continue to provide data sharing services, the technical requirements of which have been determined, by using non-standard services.

You can reach the full text of Amending Regulation [here](#) (*only available in Turkish*) and full text of Amending Communiqué [here](#) (*only available in Turkish*).

## Istanbul Financial Center Regulation Published

Istanbul Financial Center Regulation (**Regulation**) was published and entered into force on 7 July 2023. Regulation sets out the procedures and principles for the management and operation of the Istanbul Financial Center (**IFC**) and the issuance of participant certificates for operating within the IFC office area, as well as the implementation of the Law No. 7412 on the Istanbul Financial Center.



As per the Regulation, obtaining a participant certificate has become mandatory for operating in the IFM office area and benefiting from the provisions of Law No. 7412 and other relevant legislation. It was stipulated that the Presidency's Financial Office is authorized to evaluate and handle participant certificate applications, including its content, suspension, cancellation, and all related processes.

Regulation highlights the establishment of a "One-Stop Office" to expedite processes such as activity permits and similar applications for participants and candidates.

TVF IFC Real Estate Construction and Management Joint Stock Company which was established by Türkiye Wealth Fund has been authorized for a period of 20 years to manage the operation and all kinds of administrative activities of the IFC as per the Regulation.

You can reach the full text of the Regulation [here](#) (*only available in Turkish*).

# Answers. Not theories.

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### About our firm

Gokce Attorney Partnership is an Istanbul-based law firm offering legal services across a broad range of practice areas including mergers and acquisitions, joint ventures, private equity and venture capital transactions, banking and finance, capital markets, insurance, technology, media, telecoms and internet, e-commerce, data protection, intellectual property, regulatory, debt recovery, real property, and commercial litigation. Please visit our web site at [www.gokce.av.tr](http://www.gokce.av.tr) for further information on our legal staff and expertise.

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