

# GEDİK & ERAKSOY

01 August 2016

## STATE OF EMERGENCY DECREE ON POSTPONEMENT OF BANKRUPTCY

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Within the scope of the “state of emergency” (*olağanüstü hal* or **SoE**) declared on 21 July 2016 (1:00 a.m.), another SoE decree (numbered 669) is adopted by the Council of Ministers and published in the Official Gazette dated 31 July 2016 and numbered 29787 (**SoE Decree**). According to this new SoE Decree, during the term of the SoE, which is initially apply for three months from 21 July 2016, motions in relation to postponement of bankruptcy, in accordance with the Turkish Execution and Bankruptcy Law, filed by joint stock corporations (*anonim şirket*), limited liability partnerships (*limited şirket*) and cooperative societies (*kooperatif*) are prohibited. Additionally as per the SoE Decree, Turkish courts shall reject any motions for the postponement of bankruptcy filed by those capital corporations and cooperative societies.

Note that the restriction to file for a postponement of bankruptcy is limited with the term of the SoE (*i.e.* three months from 21 July 2016), however, the SoE’s term may be extended by the Parliament, upon the Council of Ministers’ request– if required, repeatedly – by up to four more months.

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