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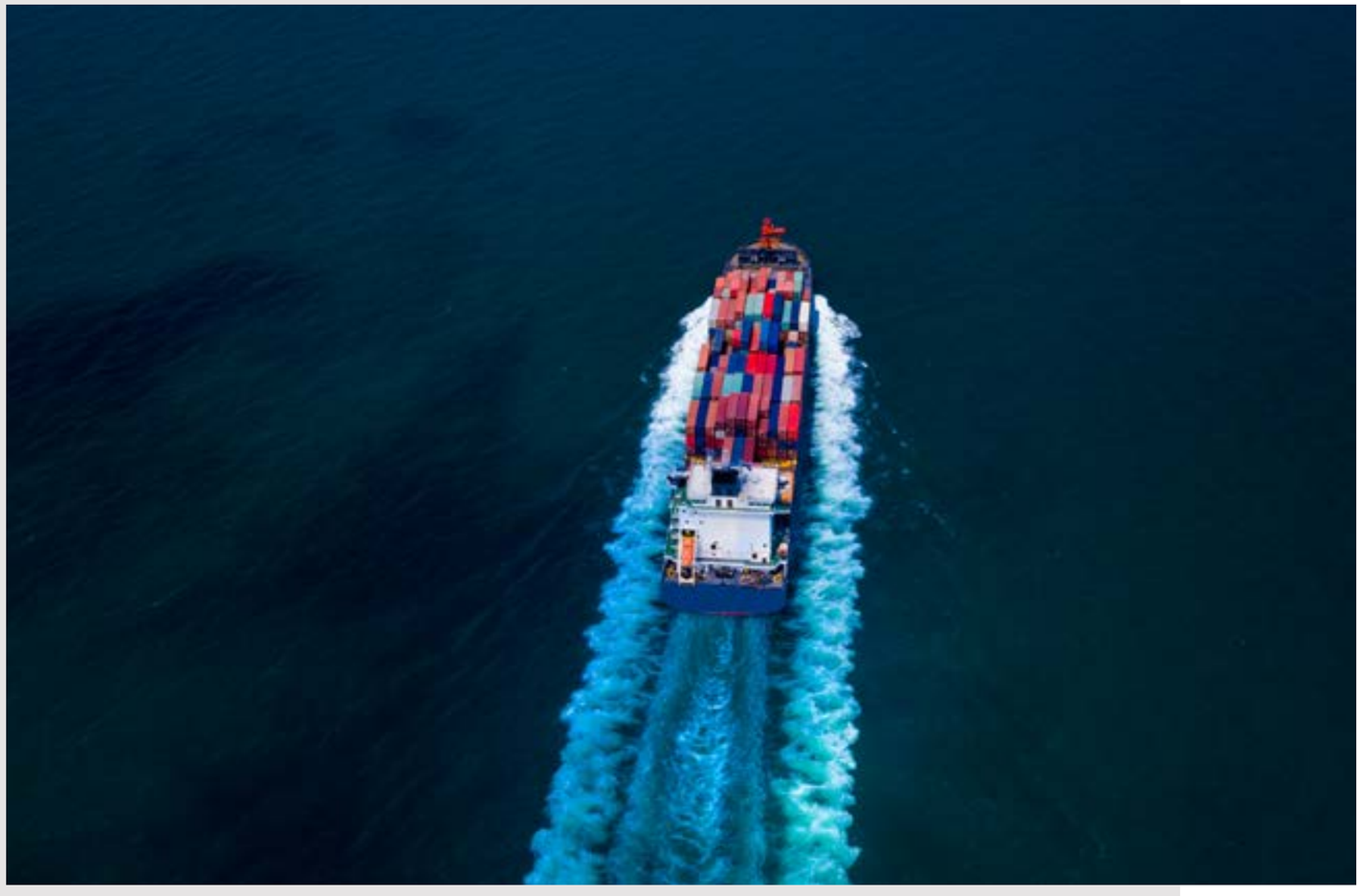

First Quarter 2026

LEGALITY

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Editor’s Note

Dear Reader,

Şengün Group is pleased to share the latest issue of its newsletter that covers recent local and global developments.

Our articles include “A Multi-Jurisdictional Compliance Analysis of Competition Law Principles in the Automotive Industry”, “Carbon Border Adjustment Mechanism: ‘CBAM’”, “Key Considerations Regarding the German Supply Chain Act (‘LkSG’) and Regulation (EU) 2024/3015 on Prohibiting Products Made with Forced Labour on the Union Market”, “Post-Mediation Arbitration and Contemporary Practice in Turkish Law”, “The Impact of Geopolitical Crises on Maritime Transport and the Carrier’s Liability Regime”, and “Data as Evidence in Criminal Law: A Comparative and International Perspective (France & Türkiye Focus)”.

This month’s featured sector highlights the automotive industry, offering an overview of the market and the key trends.

Our article on the International Day of Women and Girls in Science underlines the importance of gender equality in science.

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, “Şengün Academy Highlights” and “Şengün Competition Law Institute Highlights” offer insights into the ongoing work and focus areas of Şengün Academy and Şengün Competition Law Institute.

Enjoy reading!

Istanbul, First Quarter 2026
Şengün Group

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Article

A Multi-Jurisdictional Compliance Analysis of Competition Law Principles in the Automotive Industry

I. Introduction

The automotive industry holds a distinctive position under competition law due to its global production volume, high level of technical complexity, and multilayered supply chain structure. The sector's structural characteristics require an integrated assessment in term of horizontal competitive relationships, vertical integration, long-term agreements, intensive R&D processes, and data-driven operations. For manufacturers operating under the OEM ***("Original Equipment Manufacturer")*** supply model, each stage (from design to assembly integration) carries its own competition law risks.

Although traditional competition law enforcement has focused on price-fixing, market allocation, and explicit coordination, the risk landscape in highly technological and integration-driven sectors such as automotive extends well beyond this classical framework. Innovation-based competition, technical data sharing, capacity planning, exclusivity arrangements, and single-sourcing decisions require a dynamic interpretation of competition rules. In this context, legal assessment in the sector must go beyond the mere application of prohibitive norms and instead form part of a broader effort to build a sustainable corporate governance architecture.

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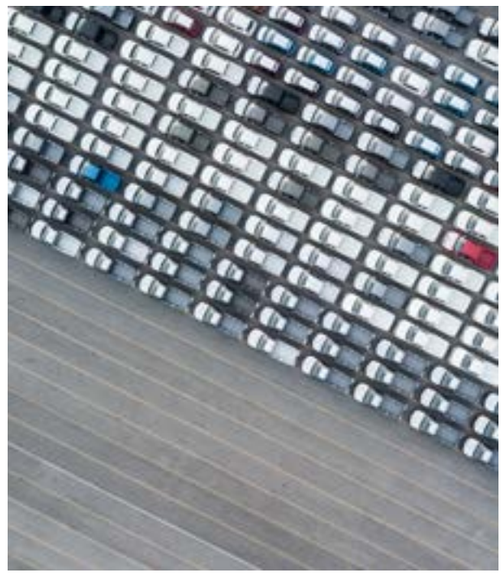
This article analyzes competition law risks through the lens of a globally active OEM supplier model, adopting a multi-jurisdictional perspective. In Türkiye, Law No. 4054 on the Protection of Competition ***("Law No. 4054")*** provides the primary normative framework. As for the European Union ("EU"), Articles 101 and 102 of the Treaty on the Functioning of the European Union ***("TFEU")*** and the block exemption regime form the comparative axis of the analysis. In addition, the practices of the United Kingdom ("UK") and the United States ("US") serve as methodological reference points, particularly in the areas of merger control and vertical relationships.

The article proceeds on three principal levels: **(i)** at the risk identification stage, it maps contract types, information flows, pricing mechanisms, and R&D processes; **(ii)** within the framework of corporate policy design, it examines competition-safe decision-making mechanisms; and **(iii)** as part of an implementable compliance architecture, it evaluates procedural tools such as dawn raid preparedness, commitment procedures, and settlement mechanisms. In this way, competition law is positioned not merely as a tool to avoid infringements, but as a fundamental component of corporate sustainability and trust-building.

II. The Structural Nature of Competition Dynamics in the Automotive Supply Chain

For suppliers operating in the automotive industry, competitive dynamics often revolve not around price, but around technical differentiation and innovation. Components such as sealing systems directly influence a vehicle's perceived quality through parameters including dust and water insulation, Noise, Vibration, and Harshness ("NVH") performance, thermal management, and assembly integration. This technical differentiation enables companies to build market power on non-price factors and highlights innovation as a central concern of competition law.



As innovation becomes a core competitive parameter, information flows move to the center of the sector. Design data, test results, cost analyses, and production plans must be assessed not merely as technical information, but as strategic elements capable of influencing commercial decisions. Even in the absence of direct coordination between competitors, such datasets may create risks of indirect interaction. Accordingly, competition law assessments must extend to the nature and scope of information exchange.

An OEM-centered production structure may generate significant buyer power over suppliers. Long-term agreements, investment dependency, and capacity allocation mechanisms deepen the economic relationship between the parties. This dynamic requires closer scrutiny of contractual arrangements that may produce foreclosure effects. Even where exclusivity clauses, single-sourcing practices, or non-compete obligations rest on technical justifications, they necessitate a proportionality test in terms of duration and scope.

In this framework, Article 4 of Law No. 4054 and the vertical agreements approach form the primary reference point in Türkiye. In the EU, Commission Regulation (EU) 2022/720 on vertical agreements (Vertical Block Exemption Regulation – "VBER") provides the corresponding analytical structure. Under both regimes, authorities examine contractual provisions not only in formal terms but also through their economic effects. They assess potential impediments to market entry, the exclusion of alternative suppliers, or customer allocation based on actual market outcomes rather than the wording of the contract alone.

The multilayered structure of the automotive supply chain demonstrates that risk does not arise from a single action; rather, it spreads across a continuum extending from design to production and from production to after-sales services. Competition law compliance therefore requires a holistic process analysis. A risk of infringement at one stage may trigger commercial and legal consequences across the entire chain. Process-based risk mapping must therefore serve as the foundation of the corporate compliance architecture.

III. Normative Deepening under the Framework of Türkiye and EU Regimes

In Türkiye, competition law assessment is structured around the systematics of Law No. 4054. Article 4 prohibits anti-competitive agreements, concerted practices, and decisions of associations of undertakings, while Article 6 regulates the abuse of dominant position. However, in sectors requiring high levels of integration, such as automotive, normative analysis cannot be confined to the mere application of prohibitive provisions. The exemption regime set out in Article 5 recognizes that certain practices which may appear restrictive can be tolerated on efficiency grounds, provided specific conditions are met. This framework requires parties to structure contractual design and commercial decision-making from the outset in a manner capable of "withstanding an exemption analysis".

With respect to vertical relationships, the Guidelines on Vertical Agreements issued by the Turkish Competition Authority play a decisive role in practice. Provisions concerning exclusivity, territorial allocation, resale price restrictions, and non-compete obligations are assessed not only as legal clauses, but in light of their economic effects. In particular, long-term non-compete obligations and incentive schemes that result in de facto exclusivity are examined to determine whether they produce foreclosure effects. This approach is crucial for the automotive supply chain, where long-term and project-based agreements are prevalent.

In the EU, the system under Article 101 of the TFEU is built on a block exemption logic. VBER classifies vertical restraints and identifies which practices constitute hardcore restrictions. Practices falling within the ***hardcore restriction*** category cannot benefit from the block exemption, whereas arrangements below the market share thresholds are assessed with greater flexibility. This structure makes it imperative to subject contractual design to competition law scrutiny from the outset.

For the automotive industry, Commission Regulation (EU) No 461/2010 (Motor Vehicle Block Exemption Regulation – "MVBER") and the accompanying guidelines demonstrate the EU's particular sensitivity regarding aftermarkets and access to technical information. Restrictions relating to technical data, service infrastructure, and spare parts distribution must remain proportionate and avoid unnecessary exclusionary effects. Even suppliers operating within an OEM-centered

structure must therefore take sector-specific considerations into account when designing contractual frameworks.

In the UK, the Vertical Agreements Block Exemption Order ("VABEO") introduces certain safe-harbor mechanisms that diverge from the EU regime. In the US, the 2023 Merger Guidelines adopt a more interventionist approach with respect to vertical effects and the potential loss of competition. These divergences require globally active suppliers to adopt not a uniform compliance policy, but a model based on core global principles supplemented by jurisdiction-specific addenda. The same contractual clause may entail different levels of risk across different jurisdictions.

IV. Analysis of Foreclosure Effects in Vertical Relationships and OEM Contracts

OEM contracts are typically long-term, high-volume arrangements that involve investment dependency. They often include capacity allocation, quality guarantees, and technical integration obligations, with the relationship between the parties continuing throughout the project lifecycle. This structure necessitates scrutiny of contractual provisions from a competition law perspective.

Exclusivity clauses may be justified on technical grounds. Production line integration, quality verification costs, and validation processes can rationalize single-sourcing decisions. However, the duration and scope of these arrangements, as well as their effect on access to alternative suppliers, must be assessed. The principle of proportionality requires that contracts account for both technical necessities and competitive structure.

Price-related risks often stem not from direct price-setting, but from incentive and discount schemes that generate loyalty effects. Discount structures encouraging total or near-total purchase from a single supplier can lead to the exclusion of competitors. Therefore, incentive systems should be tied to objective performance criteria and avoid discriminatory outcomes.

Capacity allocation decisions also constitute a sensitive area under competition law. Allocating capacity to specific projects at the OEM's request may be technically necessary. However, it must be examined whether such allocation effectively prevents access for other customers. Leaving room for capacity expansion and alternative production arrangements in the contract helps mitigate foreclosure risk.

Competition compliance in vertical relationships requires monitoring not only of contractual text but also of operational practices. Day-to-day commercial interactions, price negotiations, and technical meetings can create risks of exchanging competitively sensitive information. Therefore, pre-contract approval mechanisms, disciplined documentation, and regular internal audits should form an integral part of the compliance architecture.

V. R&D, Horizontal Collaboration, and Standardization

In R&D-intensive sectors, innovation is the primary competitive parameter. Accordingly, technical information sharing and joint development projects fall within the scope of horizontal collaboration. In Türkiye, the Horizontal Cooperation Guidelines, and in the EU, the 2023 Horizontal Guidelines, Guidelines on the Applicability of Article 101 of TFEU to Horizontal Cooperation Agreements, clarify the conditions under which R&D agreements can be considered safe.

In R&D processes, risk often arises not from direct price coordination, but from the indirect translation of technical knowledge into competitive parameters. When working with different OEMs on the same product family, information on cost structures and performance criteria can unintentionally act as a bridge between competitors. Consequently, information barriers and a project-based access model are critical.

Standardization activities highlight the balance between competition law and intellectual property. Technical standards must be based on objective criteria and be non-discriminatory in access. In the context of SEP (Standard Essential Patents), licensing terms compliant

with FRAND (Fair, Reasonable, and Non-Discriminatory) principles reduce the risk of exclusionary effects. For the automotive industry, applying FRAND principles to licensing of essential patents prevents technical standards from becoming a tool to exclude competitors. Refusal to license or the imposition of discriminatory conditions by an SEP holder can raise risks of abuse of dominance. Therefore, companies participating in technical standardization within the automotive ecosystem must structure their licensing strategies in alignment with FRAND principles.

The exemption logic must be integrated into R&D agreement design, and access rights, know-how sharing, and the use of project results should be clearly defined. The need-to-know principle should govern project teams, and technical data should remain under centralized control.

VI. Managing Dominant Position, Buyer Power, and Economic Dependence

Holding a dominant position is not inherently unlawful under competition law. As defined in Article 3 of Law No. 4054, dominance refers to the ability of one or more undertakings in a given market to act independently of competitors and customers. However, using this economic power in a manner that produces exclusionary or exploitative effects constitutes an infringement. In the automotive industry, this analysis is relevant not only for dominant players but also for suppliers economically dependent on powerful OEMs.

Considering the sector's structural characteristics, OEMs' high-volume purchasing power, long project cycles, and investment requirements can exert significant de facto pressure on suppliers. Even when this does not constitute dominance in the classical sense, it can create economic dependence. Such dependence often manifests in stricter conditions during contract renewals, unilateral price revisions, or capacity allocation demands. Therefore, competition law assessment must focus not only on market share but also on the actual scope of the parties' operational freedom.

Loyalty-inducing discount systems, discriminatory pricing, refusal to supply, or capacity restrictions are examined under similar headings across different jurisdictions. In particular, capacity allocation decisions must be assessed with concrete data to determine whether they aim to exclude competitors. The existence of a commercial justification alone is insufficient; the justification must be proportionate, and the availability of alternative solutions should be demonstrated.

Internal correspondence, meeting notes, and technical reports can play a decisive role as evidence. In competition law enforcement, economic analysis is assessed alongside documentation discipline. Recording commercial decisions with clear reasoning and evaluating alternative scenarios strengthens a company's defense. In relationships with powerful OEMs, it is especially important to demonstrate that decisions do not effectively block other OEMs' market access.

Accordingly, a robust corporate compliance architecture must go beyond merely avoiding exclusionary conduct; it must also manage economic dependence in a balanced manner. Maintaining the equilibrium between strong commercial relationships and legal sustainability is a central pillar of competition law compliance in the automotive industry.

VII. Digitalization, Data Governance, and Competition Sensitivity

Digitalization is fundamentally transforming production and supply processes in the automotive industry. Production data, quality control reports, test results, capacity plans, and cost analyses are stored and shared on digital platforms. While some of these datasets do not qualify as personal data, they may still be considered competition-sensitive information. Under competition law, the key determinant is not whether the information is personal, but whether it has strategic significance capable of influencing market behavior.

Data governance must be designed with a two-tier structure. The first tier governs lawful processing and transfer under personal data protection regimes (KVKK/GDPR). The second tier covers competition-sensitive data management. Competition-sensitive data includes information that may affect market behavior, such as pricing strategies, capacity plans, cost breakdowns, investment decisions, and technical performance analyses. Rules on access, sharing, and storage of these datasets must be clearly defined.

Project-based access models and the need-to-know principle are essential tools for managing competition-sensitive data. Cross-

sharing of project data between teams working with different OEMs within the same organization can create risks of indirect coordination. Organizational information barriers ***(Chinese walls/confidentiality mechanisms)*** must therefore be supported not only by technical controls but also by managerial processes. Access rights should be limited, data sharing documented, and data isolated following project completion.

The risk of on-site inspections heightens the importance of digital communication channels. Correspondence conducted via email, instant messaging apps, or personal devices may serve as evidence. A pre-defined ***"first-hour protocol"*** should therefore be established. Employees must be clearly instructed on how to act during inspections, what information can be shared, and when to involve the legal unit.

The rise of data analytics and artificial intelligence applications adds complexity to competition law analysis. Algorithmic pricing or automated capacity planning systems can give rise to inadvertent coordination risks. Technology-driven decision systems must therefore be filtered through a competition law lens and regularly reviewed to ensure compliance.

VIII. Mergers, Joint Ventures, and Corporate Restructuring

Growth strategies in the automotive industry frequently take the form of mergers, acquisitions, or joint ventures. In Türkiye, merger control is governed by Communiqué No. 2010/4. Approval from the Competition Authority is required when turnover thresholds are exceeded. However, in technology-intensive transactions, careful analysis is warranted even if turnover thresholds are not met.

EU and US practices adopt a more sensitive approach regarding potential competition loss and vertical effects. The acquisition of highly innovative companies may affect competition independently of current market shares. Consequently, the target company's technology portfolio, R&D capabilities, and prospective market role must be thoroughly analyzed.

Pre-closing integration, or gun-jumping, constitutes a significant compliance risk in merger processes. Coordination on pricing, capacity, or commercial strategy before closing may trigger enforcement action. ***Clean team*** arrangements and data room protocols are essential tools to mitigate this risk, with clear definitions of what information may be shared and at which stage.

Similar analysis applies to joint ventures ("JVs"). It must be assessed whether the JV is fully functional and whether it increases coordination risks between the parent companies. JV agreements should avoid clauses that unnecessarily restrict competition and should limit information sharing appropriately.

Early-stage risk screening in structural transactions is essential both for reportability and for evaluating potential competitive effects. This approach ensures that growth strategies proceed on a legally sustainable foundation.

IX. Conclusion and Strategic Roadmap

Competition law compliance in the automotive industry cannot be managed through a fragmented or reactive approach. All processes (from design and after-sales to R&D and mergers) must be evaluated holistically. Consolidating risk areas, establishing manageable risk clusters, and implementing regular internal audit mechanisms form the foundation of corporate sustainability.

The normative basis of a compliance program should cover not only substantive legal risks but also procedural processes. It is essential to understand commitment, settlement, and leniency mechanisms and to respond swiftly when needed. Training programs and role-based control mechanisms ensure that the compliance program is integrated into daily business operations.

A strategic roadmap can be structured in three stages. The first stage involves reviewing contract templates, inventorying competition-sensitive data, and initiating core training programs. The second stage establishes role-based approval mechanisms, clean team arrangements, and data-sharing protocols. The third stage focuses on systematizing internal audit cycles, performance indicators, and periodic risk assessments.

In conclusion, competition law in the automotive industry is not merely a defensive tool to mitigate infringement risk; it is a core component of building a reliable and sustainable business model. A corporate structure designed with a multi-jurisdictional compliance perspective creates long-term value, both in terms of legal resilience and commercial trust.

Gülşah Güven, LL.M., Partner

Article

Carbon Border Adjustment Mechanism: “CBAM”

The Carbon Border Adjustment Mechanism (“CBAM”) is designed to prevent European Union (“EU”) producers from shifting production to countries with weak or no carbon regulation and to protect them against unfair competition. It does so by subjecting products considered “at risk of carbon leakage” to a charge based on the carbon intensity embedded in those products when they are exported to the EU market. Under the regime established by the Commission, non-EU importers must purchase CBAM certificates corresponding to the embedded emissions of the goods they import from the relevant carbon pricing pool.

CBAM’s core logic is to create, for the import of certain goods into the EU, a carbon cost equivalent to that incurred under the EU Emissions Trading System (“EU ETS”) in EU-based production, in respect of the embedded emissions generated during the production process.

The legal basis of CBAM is Regulation (EU) 2023/956, which entered into force in May 2023 as a key component of the EU’s “Fit for 55” package targeting at least a 55% net reduction in greenhouse gas emissions by 2030 compared to 1990 levels. The Regulation established a transitional period from 1 October 2023 to 31 December 2025, during which obligations were limited primarily to reporting. The definitive regime began on 1 January 2026. As of that date, importers must not only report embedded emissions but also obtain authorized CBAM declarant status, submit annual declarations, ensure verification, and purchase and surrender CBAM certificates in accordance with a phased schedule.

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CBAM specifically requires, in respect of certain imported goods, the declaration of the embedded direct and indirect emissions generated during the production process and, in the definitive phase, the coverage of the corresponding carbon cost through the purchase and surrender of CBAM certificates. In its guidance, the European Commission frames the mechanism’s objective as equalizing the carbon price applied to imports with that borne by EU-based production and preventing the erosion of the EU’s climate objectives through imports.

In its initial phase, CBAM covers carbon-intensive products such as iron and steel, aluminum, cement, fertilizers, electricity and hydrogen. For the automotive industry, the critical point is this: since the automotive supply chain relies heavily on CBAM-covered inputs, particularly steel and aluminum, the cost impact and data requirements of CBAM extend to component manufacturers through pricing and contractual data requests, “even where the finished automotive product itself does not fall within CBAM’s scope”. In this sense, CBAM operates in automotive industry primarily “through inputs rather than the end product”, making it a sustainability and compliance issue driven by upstream exposure.

With the end of the transitional period, importers are required not only to declare the embedded carbon in the products they import, but also to purchase and surrender a corresponding number of CBAM certificates. EU importers must obtain the status of “authorised CBAM declarant” (applications for this status opened in 2025). As of 2026, importers must purchase and surrender CBAM certificates corresponding to the embedded greenhouse gas emissions in the goods they import. The price of these certificates is directly linked to the weekly average auction price of EU ETS allowances, thereby subjecting

imported goods to the same carbon price as products manufactured within the EU. However, where a carbon price has already been paid in the country of production, the corresponding amount may be deducted from the CBAM obligation.

Given that the EU constitutes one of Türkiye's principal import and export markets, these developments have direct implications for Turkish companies. The impact is twofold:

First, the requirement to purchase CBAM certificates increases the cost of exporting carbon-intensive goods to the EU. Second, Turkish producers and their EU business partners face heightened compliance burdens. One of the most effective tools to mitigate CBAM-related financial exposure is the establishment of a national carbon pricing mechanism. In this context, Türkiye's planned national Emissions Trading System (ETS) envisaged under its climate policy may offer exporters a structured compliance and cost-management pathway. The framework governing the ETS is regulated under the Climate Law, which establishes a comprehensive legal infrastructure for combating climate change and sets out the fundamental principles for implementing greenhouse gas emission reduction targets, adaptation measures and carbon pricing instruments (including the ETS).

While the Law lays the legal foundation for the ETS and defines its general principles, it makes clear that operational details (such as the scope of the system, implementation timeline, allocation methodology, market stability mechanisms, and monitoring–reporting–verification processes) will be specified through secondary legislation and national allocation plans to be issued by the Climate Change Presidency, the Carbon Market Board and the relevant administrative authorities. This structure aims to create a functioning carbon market in Türkiye, thereby enabling, under appropriate conditions, the offsetting of carbon costs paid domestically by Turkish companies against their CBAM obligations in the EU. In doing so, it seeks to reduce the risk of "double payment" and to ensure that the economic value generated by carbon pricing remains within Türkiye.

When calculating emissions, if reliable and country-specific verifiable data cannot be obtained, default emission values are applied under CBAM. These values are determined on the basis of the best available data; where reliable country-level data is unavailable, the default value is calculated as the average emission intensity of the ten highest-emitting exporting countries for the relevant product type, taking regional factors into account where necessary.

In the declaration process, importers may use either the default emission values published by the European Commission or verified actual emissions data. Where actual data is used, it must be verified by an accredited verifier.

For aluminum, iron and steel products, embedded emissions from production inputs (precursors) are, as a rule, included in the calculation, while emissions relating to finishing stages are excluded, in line with the EU ETS methodology.

CBAM declarants are entitled to request a reduction based on carbon costs paid in third countries. Accordingly, where a carbon price has been effectively paid in a third country, the authorized CBAM declarant may request a corresponding reduction in the number of CBAM certificates to be surrendered. To benefit from this reduction, the carbon price must have been actually paid; any rebates, reductions or compensation mechanisms applied in the relevant country are also taken into account in the calculation.

In conclusion, economic operators engaged in trade with the EU must assess their CBAM-related obligations not merely as an environmental compliance matter, but through a holistic lens that also captures customs exposure, sanctions risk and broader commercial implications.

Birgi Kuzumoğlu, Partner

Article

Key Considerations Regarding the German Supply Chain Act (“LkSG”) and Regulation (EU) 2024/3015 on Prohibiting Products Made with Forced Labour on the Union Market

The German Supply Chain Due Diligence Act (“LkSG”) and Regulation (EU) 2024/3015, adopted within the framework of the UN Sustainable Development Goals and prohibiting products made with forced labor on the European Union (“EU”) market, affect all companies active in the EU market and engaged in imports to and exports from Germany. These instruments introduce new and comprehensive obligations, particularly in the field of industrial relations.

Although the LkSG appears to apply only to companies headquartered in Germany, it effectively creates binding consequences for all actors within the supply chains of German companies. It requires companies to monitor their suppliers with respect to human rights, working conditions, child labor, forced labor, and environmental standards. Within this framework, companies must adopt a human rights policy commitment, conduct regular risk analyses, establish complaints mechanisms, implement preventive and remedial processes, and publish public reports. Non-compliance may trigger significant administrative fines and sanctions, including exclusion from public tenders.

Regulation (EU) 2024/3015, published on 12 December 2024 and fully applicable as of 14 December 2027, prohibits the placing and importation of products made with forced labor on the EU market. The Regulation blocks market access where authorities identify forced labor at any stage of the supply chain. In this respect, it constitutes a robust regulatory instrument situated at the intersection of labor law, human rights, and international trade law.

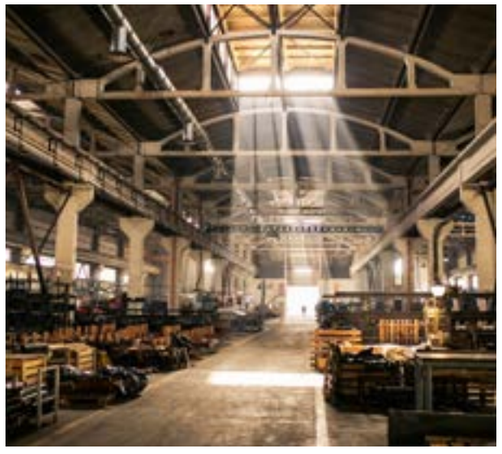
In consequence, companies are now expected, particularly from an industrial relations standpoint, to ensure that not only the working conditions within their own workplaces, but also all labor relationships across their entire supply chains, are structured in full compliance with human rights and labor law standards. Otherwise, in addition to legal sanctions, companies may face termination of commercial relationships, loss of market access, and serious reputational damage. Conversely, compliance offers a significant opportunity to strengthen sustainability, corporate reputation, and competitive advantage in international markets.

A. Assessment under the EU Charter of Fundamental Rights

The Charter of Fundamental Rights of the EU (the “Charter”) serves as a primary reference framework guiding labor law and industrial relations practices of Member States, and indirectly companies operating in the EU, within the scope of EU law. For multinational companies and enterprises operating in the EU, the Charter provides a key framework for compliance, predictability, and corporate risk management in employment practices.

Under the Charter, particularly in operations carried out within the EU, employers must refrain from any direct or indirect practices that may interfere with employees' freedom of association or restrict the right to collective bargaining and strike through administrative or operational measures. The Charter safeguards fundamental employee rights, including the prohibition of workplace discrimination, reasonable working hours, the right to rest, and paid annual leave.

Non-compliance with these rights and the Charter may expose the employer not only to violations under national labor law but also to compliance and reputational risks under the EU fundamental rights regime, social audits, and governance issues at group level. For this reason, companies should structure their human resources and industrial relations policies in alignment with the Charter.



B. Assessment under EU Directives and Secondary Legislation

EU labor law directives establish minimum standards aimed at ensuring transparent, predictable, and fair working conditions for Member States and companies operating within the EU. As such, companies active in Member States must comply with these directives.

Key directives in the field of industrial relations include: (i) Directive 2002/14/EC establishing a general framework for informing and consulting employees, (ii) Directive 2009/38/EC on the establishment of a European Works Council, (iii) Directive (EU) 2019/1152 on transparent and predictable working conditions, and (iv) Directive 2003/88/EC concerning certain aspects of the organisation of working time. These directives regulate transparency and predictability of working conditions and require effective employee representation mechanisms.

In particular, Directive (EU) 2019/1152 requires employers to provide employees, at the commencement of employment, with essential information regarding their employment contracts and working conditions in written form and in a timely manner. It also grants rights such as prior notification of working hours and reference hours. The Directive aligns with the European Pillar of Social Rights, which covers core employment conditions including job security, remuneration, working time, and rest. Employers must therefore implement their industrial relations practices and employment policies in accordance with these directives.

C. Assessment of Industrial Relations in Türkiye

In Türkiye, industrial relations are shaped by the right to work, fair working conditions, and trade union freedoms guaranteed under Constitution No. 2709 of the Republic of Türkiye. Individual and collective labor law relations are governed by Labor Law No. 4857, Trade Unions and Collective Bargaining Law No. 6356, and related legislation.

Under Labor Law No. 4857, employers must observe the principles of good faith, proportionality, and equal treatment in the establishment, performance, and termination of employment contracts.

In light of employment litigation trends, particularly for employees working under indefinite-term employment contracts, employers must demonstrate the existence of a valid reason for termination, or prove just cause where applicable, comply with procedural requirements such as written notice of termination, and obtain the employee's defense where required. Compliance with these procedures is critical to mitigate reinstatement and compensation risks.

Failure to comply with regulations governing working hours, overtime, paid annual leave, and rest periods exposes employers not only to employee receivables claims but also to administrative fines and inspection risks. Under Law No. 6356 on Trade Unions and Collective Bargaining, employers must refrain from any direct or indirect actions that may interfere with employees' right to unionize. They must not discriminate against employees due to union activities or exert pressure to induce resignation from union membership.

Otherwise, violations of trade union rights may trigger union compensation claims, reinstatement lawsuits, and administrative sanctions. In this context, it would be advisable to identify potential risks at the outset of the unionization process and to proceed on a sound legal footing throughout the stages from union organization to the conclusion and implementation of the collective bargaining agreement, thereby shaping the company's industrial relations policy.

Türkiye is party to the following key ILO conventions, which are globally binding and serve as international reference standards:

- ILO Convention No. 87 – Freedom of Association and Protection of the Right to Organise. This Convention grants workers and employers the right to establish and join trade unions without prior authorization. In practice, employers must ensure that union membership or union activities do not serve, directly or indirectly, as criteria in recruitment, reassignment, promotion, wage determination, disciplinary action, or termination processes.

- ILO Convention No. 98 – Right to Organise and Collective Bargaining. This Convention prohibits discrimination based on union activities and safeguards employees' right to collective bargaining.

- ILO Convention No. 100 – Equal Remuneration for Men and Women Workers for Work of Equal Value and ILO Convention No. 111 – Discrimination in Respect of Employment and Occupation. These Conventions establish the principle of equal remuneration for work of equal value and prohibit discrimination in employment and working conditions.

- ILO Convention No. 155 – Occupational Safety and Health. This Convention requires employers to adopt a preventive approach to occupational health and safety, conduct risk assessments, provide training, and ensure employee participation.

Pursuant to Presidential Decision No. 948, published in Official Gazette No. 32800 of 01/02/2025, the "National Employment Strategy (2025–2028)" entered into force.

The National Employment Strategy constitutes a planning document designed to support Türkiye's economic development and enhance social welfare by enabling a comprehensive transformation of the labor force.

a. **Green and Digital Transformation and Skills Alignment:** Strengthen and develop the link between education and employment and align labor markets with green and digital transformation.

b. **Development of Inclusive Employment:** Support access to the labor market for groups covered by special policies, including women, youth, persons with disabilities, the elderly, and those within the scope of international labor migration.

c. **Strengthening the Social Protection-Employment Relationship:** Increase the inclusiveness of the social protection system and maintain access to fundamental rights.

d. **Development of Sustainable Employment in Rural Areas:** Develop strategies to increase regional economic diversity and to strengthen the labor force structure in an innovative and sustainable manner.

D. Conclusion

The German Supply Chain Act ("LkSG") and Regulation (EU) 2024/3015 on prohibiting products made with forced labour on the Union market require companies not only to ensure internal compliance but also to secure adherence to human rights, labor conditions and environmental standards across their entire supply chains. These regulations establish a robust framework intersecting labor law, human rights, and international trade law, and failure to comply may give rise to significant administrative, commercial, and reputational risks.

While the EU Charter of Fundamental Rights and the relevant directives safeguard employees' rights to organize, engage in collective bargaining, and exercise fundamental labor rights, the Turkish legal framework imposes obligations on employers to act in good faith, ensure equality and maintain fair practices under Labor Law No. 4857, the Trade Unions and Collective Bargaining Agreements Law No. 6356, and the applicable ILO conventions. In this context, it is critical for companies to structure their industrial relations policies in alignment with both national legislation and international standards to mitigate legal risks while promoting sustainability and safeguarding corporate reputation.

In conclusion, for companies operating both in Türkiye and the EU, adopting a proactive approach in the areas of supply chain management, industrial relations, and labor law has become a strategic necessity to ensure legal compliance, protect corporate reputation, and achieve sustainability objectives in an integrated manner.

Betül Önal Payze, Senior Associate

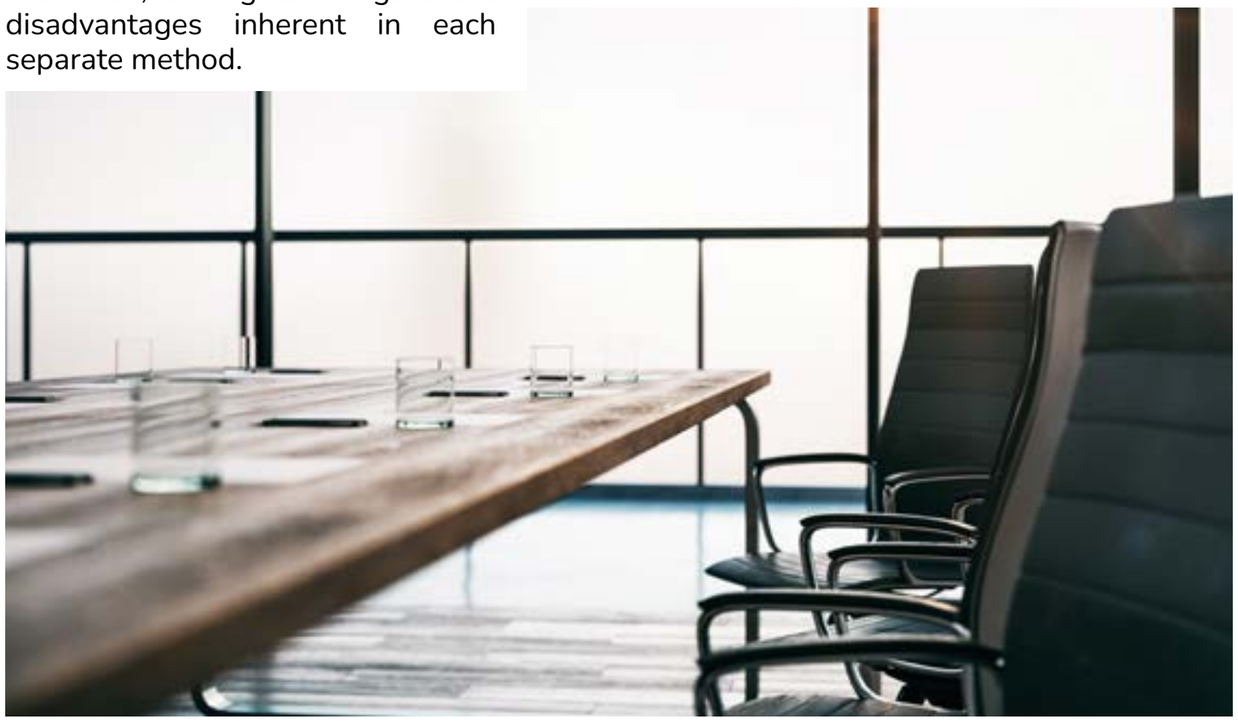
Article

Post-Mediation Arbitration and Contemporary Practice in Turkish Law

1. Overview of Med-Arb

Globally, the flexible nature of alternative dispute resolution methods and the absence of rigid procedural rules have facilitated the development of new resolution mechanisms. In this process, hybrid models have been introduced by bringing together dispute resolution methods that offer distinct advantages. Thus, the mediation-arbitration ("Med-Arb") model has emerged both in doctrine and in practice as one of the most prominent and frequently employed hybrid methods.

As is well known, mediation allows parties to voluntarily develop a framework for resolving their dispute while arbitration provides a binding and final decision for the parties to resolve a dispute. As such, Med-Arb harmonizes the binding nature of arbitration with the flexibility of mediation, aiming to mitigate the disadvantages inherent in each separate method.



As defined in doctrine, Med-Arb generally refers to a process where a neutral third party first attempts to resolve the dispute through mediation, and if unsuccessful, subsequently serves as the arbitrator to decide the dispute through arbitration. In simpler terms, Med-Arb is a process that begins with mediation but invokes arbitration when the dispute cannot be resolved at the mediation stage. The process prioritizes the parties' cooperation and settlement efforts, while ensuring that, in the absence of agreement, a binding and final arbitration award conclusively resolves the dispute.

However, it should be noted that having the same neutral third party conduct both the mediation and the arbitration raises concerns regarding confidentiality, impartiality, and trust in the proceedings. For example, a mediator who later serves as the arbitrator may be influenced by knowledge gained during the mediation phase, which is one of the primary criticisms of Med-Arb. Similarly, the possibility that information disclosed during mediation could be used in arbitration without the parties' consent constitutes another risk associated with this method. In parallel, documents intended to facilitate settlement during mediation may be withheld by the parties, and the pressure of an impending arbitration may affect the mediation dynamics, further contributing to uncertainties around Med-Arb. Therefore, if parties intend to employ a Med-Arb mechanism, it is essential to identify the potential advantages and disadvantages in advance and to design a Med-Arb procedure that does not violate universal legal principles.

2. Various Med-Arb Models

While various models exist in practice, Med-Arb can generally be analyzed under two principal frameworks. The first framework is the conventional mediation-arbitration model, which may take different forms depending on whether different third parties are involved at each stage. In this model, issues intended to be resolved through mediation and those subject to arbitration are grouped separately, thereby integrating mediation and arbitration into a single overarching procedure. Once a neutral and independent third party begins acting as mediator, the process may be further categorized as "Med-Arb Same" or "Med-Arb Different," depending on whether the same person subsequently serves as arbitrator in the event that mediation fails.

The second framework involves a sequential application of mediation and arbitration. In this model, the parties first attempt to resolve the dispute through mediation, and if that proves unsuccessful, they proceed to arbitration. For the purposes of examining the Court of Appeals decisions discussed below, this model is referred to as "Med-then-Arb." In this model, the mediation and arbitration stages do not occur simultaneously but proceed sequentially. Accordingly, the Med-then-Arb approach does not feature the integrated, single-stage process characteristic of classic Med-Arb; instead, it follows a structured, step-by-step progression.

3. Med-Arb in Turkish Law

Although international literature and practice continue to develop concrete applications of Med-Arb, steps toward implementing this model have also begun in Turkish law. Notably, "İTOTAM Arabuluculuk – Tahkim (Med-Arb) Kuralları" (İTOTAM Mediation-Arbitration -Med-Arb- Rules), published in 2021 by Istanbul Chamber of Commerce Arbitration and Mediation Center, stand out as one of the first concrete efforts in this regard.

It should be noted that Turkish legislation does not yet provide a clear, standalone framework specifically governing Med-Arb. However, Article 5/1 of Law on Mediation in Civil Disputes No. 6325 ("HUAK") implicitly confirms the possibility of resorting to arbitration following mediation. The article provides that: "The parties, the mediator, or any third person participating in the mediation cannot submit the following statements or documents as evidence or testify about them when a legal action is brought or arbitration is initiated regarding the dispute..." Similarly, Article 5/6 of the Turkish Mediators' Code of Ethics, issued by the Mediation Department, states that: "A mediator may not conduct any dispute resolution process other than mediation during the mediation process. No resolution process may be labeled as mediation solely to take advantage of the benefits provided under mediation legislation. However, the mediator may, when deemed necessary and appropriate, suggest that the parties consider resolving their dispute through arbitration, neutral evaluation, advisory, or other dispute resolution methods." This provision further demonstrates that arbitration following mediation is legally feasible.

When assessing the validity of Med-Arb agreements or clauses under Turkish law, the presence of appropriate and informed party consent is necessary. Med-Arb agreements are, in essence, multi-step arbitration agreements. Therefore, it is essential that the parties express their consent clearly, explicitly, and unambiguously. This requirement stems from the principle that the parties' arbitration intent, a foundational element of an arbitration agreement, must be both explicit and definite.

Legality / Articles

4. Validity of Med-Arb Agreements

In the doctrine, multi-step hybrid arbitration agreements, including those incorporating Med-Arb procedures, are generally considered valid as long as the parties' intent to arbitrate is clear. However, to prevent such staged arbitration agreements from becoming problematic, certain aspects must be explicitly addressed in the agreement: the timeframes for each dispute resolution stage, whether the mediation phase is mandatory, and, importantly, the clarity of the parties' arbitration intent. Ambiguous wording or contradictory provisions may render the arbitration agreement invalid.

Indeed, the International Bar Association (IBA) Guidelines for Drafting International Arbitration Clauses provide key criteria for multi-step arbitration agreements. According to the guidelines, such agreements should clearly specify the duration of pre-arbitration negotiations or mediation, and under what circumstances arbitration will commence. The agreement should also make it explicit that, if the pre-arbitration dispute resolution phase fails, the parties' submission to arbitration is binding rather than optional. Furthermore, the disputes addressed in the pre-arbitration resolution stage and in the subsequent arbitration must be identical.

5. The Court of Appeals' Recent Approach to Med-Arb Agreements

Med-Arb has moved beyond doctrinal debate and has recently been addressed in high court jurisprudence. In particular, the 3rd Civil Chamber of the Turkish Court of Appeals evaluated the application of Med-Arb and the validity of such agreements in its decisions in 2025 and 2026, with a focus on clauses included in legal services agreements.

In its decision no. 2025/2164 of 15 April 2025 (file no. 2025/225), the Court of Appeals addressed a Med-Arb clause contained in a lawyer's fee agreement between the plaintiff lawyer and the defendant client as follows:

"...In order for arbitration proceedings to be initiated in a dispute, there must exist either an agreement between the parties containing an arbitration clause or a separate arbitration agreement. The arbitration agreement, which forms the basis of arbitration proceedings, may be concluded in writing either as a clause within the agreement between the parties or as a separate agreement. For an arbitration clause or agreement to be valid, it is mandatory that the parties clearly and unequivocally express their intent to arbitrate in a manner that does not give rise to debate or ambiguity.

The parties may agree that all disputes arising from their agreement shall be resolved through arbitration, or they may decide that only certain disputes shall be resolved through arbitration.

The agreement dated 01.03.2022 concluded between the parties provides that: 'Disputes arising from this legal services agreement and from attorney's fees shall first be resolved through mediation. ... If the mediation attempt does not yield a result, the dispute shall be resolved by the Bar Arbitration Board. The Arbitration Regulation of the Union of Turkish Bar Associations constitutes an integral part of this agreement.' Indeed, an application for mediation was first made for the resolution of the dispute, and the mediation process ended unsuccessfully...

When the aforementioned statutory provisions are considered together, it is observed that mediation pertains to substantive law and must be resorted to before filing a lawsuit before the courts; indeed, in some cases, recourse to mediation has been regulated as a prerequisite for filing a lawsuit. While the arbitration clause expressing the parties' intent to arbitrate must be stated clearly and definitively so as not to give rise to debate or ambiguity, due to the parties' agreement that mediation must first be attempted, it cannot be said that the arbitration clause governing the agreement was drafted with sufficient certainty and without any doubt. Therefore, the arbitration clause must be deemed invalid..."

In this decision, the 3rd Civil Chamber of the Court of Appeals invalidated the mediation precondition in the relevant agreement on the grounds that it undermined the requirement for the arbitration intent to be "clear and unequivocal." It appears that this approach of the Supreme Court is grounded in the well-established principle applied to arbitration agreements that such agreements must be "clear and unambiguous". However, this assessment has also given rise to significant debate and criticism in legal literature.

More recently, the 3rd Civil Chamber of the Court of Appeals departed from its earlier approach and adopted a positive stance regarding the validity of Med-Arb clauses (decision no. 2026/129, file no. 2025/5452, 15.01.2026):

"... Agreements providing that disputes will first be addressed through mediation and, if unresolved at that stage, subsequently submitted to arbitration are commonly referred to in practice and doctrine as 'Med-Arb (Mediation-Arbitration).' In the mediation-arbitration pathway, the parties first strive to resolve their dispute through mediation...

If no agreement is reached in mediation, the parties then proceed to arbitration (Mustafa Serdar Özbek, 'Arabuluculuk ile Tahkim Yöntemlerinin Kesişme Bölgesi: Arabuluculuk-Tahkim' January 2017 43(1) Yargıtay Dergisi 15, p.15). A specific form of this procedure is Med-Then-Arb, which entails that the parties initially attempt to resolve the dispute through mediation and, if no settlement is achieved, arbitration is applied.

Under the dispute resolution agreement, the parties may agree that the dispute will first be addressed through mediation and, if mediation is unsuccessful, submitted to arbitration. When mediation does not succeed, the dispute is finally and bindingly resolved by the arbitrator. This ensures both the flexibility expected from the mediation process and the finality of decision-making in arbitration. In this procedure, arbitration after mediation is predetermined, and the two processes operate as entirely independent pathways without merging into a single procedure...

The agreement dated 01.03.2022 between the parties provides: 'Disputes arising from this legal services agreement and from attorney's fees shall first be resolved through mediation. The parties shall share the mediation costs equally. If the mediation attempt does not yield a result, the dispute shall be resolved by the Bar Arbitration Board. The Arbitration Regulation of the Union of Turkish Bar Associations constitutes an integral part of this agreement.' Accordingly, the parties initially resorted to mediation for disputes arising from the legal services agreement, and when no result was obtained, they proceeded to arbitration. The relevant clause of the agreement clearly expresses the parties' intent that if the dispute is not resolved through mediation, it will proceed to arbitration, leaving no room for doubt. Moreover, the dispute relates to a legal services agreement, and the legal services performed by the defendant lawyer

on behalf of the plaintiff do not constitute a consumer transaction and are therefore subject to arbitration, making the clause valid... As explained above, as an alternative dispute resolution method, it is legally permissible to first resort to mediation and, if no settlement is reached, subsequently proceed to arbitration (Med-Then-Arb). Therefore, in a dispute eligible for arbitration, it is lawful to first attempt mediation and then proceed to arbitration if no agreement is reached..."

As can be seen, the relevant decision of the Court of Appeals addresses alternative dispute resolution mechanisms in considerable depth. In this respect, the Supreme Court referred to the Med-Arb doctrine, which recognizes the combined use of mediation and arbitration, and concluded that the Med-Arb clause contained in the legal services agreement at issue had been formulated in a clear and explicit manner.

Another particularly noteworthy aspect of the decision is the Court's discussion and acceptance of the Med-then-Arb model, whereby arbitration follows mediation. Unlike its 2025 decision discussed above, the 3rd Civil Chamber of the Court of Appeals concluded that the existence of a mediation precondition does not invalidate an arbitration agreement. On the contrary, the Court held that initiating arbitration after the mediation procedure has been duly exhausted is consistent with the law. With this recent decision, the Supreme Court has adopted an approach that aligns with the Med-Arb and Med-then-Arb doctrines recognized in the literature.

6. Conclusion

Med-Arb is a hybrid dispute resolution mechanism that brings together mediation and arbitration within a single dispute resolution framework. It aims to ensure that disputes are first addressed through consensual settlement and, if such efforts fail, are ultimately resolved through a binding decision. In this respect, the model provides a structural framework based on the complementary operation of alternative dispute resolution mechanisms.

Although Turkish law does not contain a specific and standalone statutory regulation governing Med-Arb, neither the existing legislative framework nor the applicable ethical rules establish a system that categorically prevents recourse to arbitration following mediation. Accordingly, the legal nature and validity of Med-Arb agreements are primarily assessed on the basis of the clarity of the parties' intent, the essential elements of the arbitration agreement, and the arbitrability of the dispute.

In this context, for multi-tier dispute resolution clauses structured as Med-Arb or Med-then-Arb, it is essential that the sequence, scope and conditions of mediation and arbitration stages along with the transition between them be drafted in a clear and unambiguous manner. In determining the validity of such clauses, the decisive factor is whether the parties' intent to arbitrate has been expressed in a definite and unequivocal manner.

Recent decisions of the Court of Appeals also provide an important jurisprudential framework for evaluating post-mediation arbitration mechanisms under Turkish law. In particular, decisions recognizing the possibility of initiating arbitration following the completion of the mediation stage are noteworthy, as they demonstrate that Med-then-Arb is legally permissible.

In conclusion, although Med-Arb has not yet been expressly regulated under Turkish law, it is increasingly recognized as a legitimate dispute resolution mechanism grounded in party autonomy and the general principles of arbitration law.

Ahmet Oğul Aksoy, Associate

Article

The Impact of Geopolitical Crises on Maritime Transport and the Carrier's Liability Regime

1. The Global Dimension of Maritime Transport and Its Logistical Significance

Maritime transport is the backbone of global trade, accounting for approximately 80-90% of international commerce. Its central role in the global economy, however, makes it inherently sensitive to geopolitical tensions. Current crises such as those in the Red Sea, the Strait of Hormuz, or the Israel-Iran conflict not only drive up freight rates but also redefine the carrier's fundamental obligations under the freight contract. In situations where conflict arises along a navigation route or an unforeseeable maritime hazard emerges, altering the voyage route may become not merely an option but a necessity for the safety of maritime trade. Conversely, if the route change stems from the carrier's failure to maintain the ship seaworthy and fit for the voyage and the cargo, this may alter the legal allocation of liability.

Within this framework, the article explores the carrier's rights and obligations under the Turkish Commercial Code up to cargo delivery in the face of international geopolitical crises while analyzing the implications of these processes for the carrier's liability and potential immunity.

2. The Carrier's Liability Regime and Duty of Care

Under maritime commercial law, the carrier's liability is governed by Articles 1141 et seq. of the Turkish Commercial Code ("TTK") No. 6102, encompassing a continuous chain of care from preparing the ship for voyage to the delivery of the cargo. In brief:

According to Article 1141, which establishes the initial seaworthiness obligation, the carrier must ensure that the ship is fit for the sea, the voyage, and the cargo at the outset of the journey. For vessels entering geopolitical crisis zones, this duty extends beyond mere technical seaworthiness to include sufficient crew training to address regional risks (e.g., drone attacks, electronic sabotage) and the presence of all necessary navigation aids. Indeed, the Turkish Court of Appeals once considered the absence of a BNWAS (Bridge Navigation Watch Alert System) on board as rendering the ship unfit for voyage . Similarly, during the COVID-19 pandemic, a crew incapacitated by illness or quarantine could render the vessel "unfit for the voyage." Accordingly, in times of geopolitical crisis, ensuring that crew members are trained in crisis management is regarded as part of the carrier's duty of care.

Articles 1178 et seq. of the TTK regulate the carrier's liability for loss, damage, or delay in delivery of goods. Accordingly, the carrier must exercise the care and diligence expected of a "prudent carrier" from loading to unloading. If damage occurs while the goods are under the carrier's control, there is a presumption of fault, which the carrier must rebut under Article 1179/1. The carrier can avoid liability by proving that the loss or damage did not result from its own fault or that of its agents.

3. Perils of the Sea and Immunities

As noted above, while maritime transport is the most widely used mode of shipment, it carries inherent and unique risks. Accordingly, Articles 1182 et seq. of the TTK foresee certain immunities in favor of the carrier, in line with international regulations.

The concept of "perils of the sea" is defined in the Hague-Visby Rules as a potential carrier immunity, though it is interpreted differently across legal systems. In Türkiye, while the TTK does not provide a specific definition, the dominant view in doctrine is that they refer to events inherent to the sea, unavoidable and unforeseeable by the carrier or the crew. Typical examples include storms, ice incursions, or deviation from the route due to fog.

However, the mere foreseeability of an event does not prevent the carrier from being exonerated. What matters is whether the carrier took all necessary measures expected of a prudent carrier to mitigate the risk. The concept of perils of the sea is closely linked to the ship's unseaworthiness: if the vessel is inherently unfit, the carrier cannot rely on the peril as a defense to avoid liability for resulting damage. It is also important to note that the term "damage" here encompasses not only direct losses but also consequential or indirect losses, such as cargo deterioration or losses arising from delayed delivery due to a storm or conflict.

4. Wars and Geopolitical Crisis Exceptions

A key legal foundation for addressing geopolitical crises is the concept of wars, as set out in Article 1182/1-b of the TTK. In this context, wars involve the use of armed force by two or more sovereign states or organized groups, and a formal declaration of war is not required. Damage does not need to result directly from a missile or torpedo attack; delays and resulting loss or damage caused by port closures, blockades, or the forced diversion of routes due to hostilities also fall within this scope.

If the carrier knowingly undertakes transport in the face of wars and related risks, it cannot later invoke those events to escape liability. However, if the risks assumed by the carrier increase significantly due to an ongoing war, and the cargo damage occurs as a result, the carrier may rely on the immunity provided by the law. In other words, each case must be assessed individually, balancing the severity of the hazard against the risk assumed by the carrier.

5. Deviation from Route and Crisis Management

As a general rule, the carrier, i.e. the ship's captain, must follow the route agreed in the freight contract, or, if no specific route is stipulated, the customary most suitable route to fulfill the contract on time.

One relevant provision is Article 1120 of the TTK, which allows the captain to deviate from the route for a justified reason. Acts such as rescuing lives or property, or other legitimate causes, do not render the carrier liable. Geopolitical crises are treated as "justified reasons" or as "unforeseeable events", granting the captain the authority to alter the route under Article 1113 of the TTK. However, if the risk of crisis or attack was known prior to the formation of the contract, the carrier may not always be protected if it later cites that risk as a "justified reason" for deviation.

An unjustified deviation occurs when the carrier alters the route without a valid reason, making it liable for any resulting damage. For example, diverting solely to reduce fuel costs constitutes an unjustified deviation. Since the law does not provide a precise definition, whether a deviation is justified or not must be assessed in light of the specific circumstances of each case. This evaluation should consider not only the interests of the carrier and the vessel but also the interests of all parties involved with the cargo.

6. The Carrier's Limited Liability and Reckless Conduct

While general law assumes personal and unlimited liability, maritime transport law provides for the carrier's limited liability. Under Article 1186 of the TTK, the carrier's liability for loss, damage, or delay of cargo is capped. This limitation extends not only to the carrier but also to the carrier's agents (TTK 1190/2) and to the actual carrier and its agents, such as the captain (TTK 1191/2).

However, if the damage results from the carrier's intentional or reckless conduct, the limitation of liability does not apply as per TTK 1187. The article specifies this as "...through reckless conduct, with awareness of the likelihood of such damage or delay..." Judicial practice has equated this to "fault equivalent to intent / gross negligence."

In maritime transport, outcomes vary by case, making it difficult to establish a precise standard for what constitutes reckless conduct. Accordingly, determining whether the carrier acted as a reasonable and prudent carrier should rely on an objective standard while assessing reckless conduct, whereas assessing the conscious awareness of the party causing the damage (carrier or crew) is best evaluated subjectively.

In addition to the carrier, the carrier's agents and the agents of the actual carrier also benefit from the provisions on limited liability. Likewise, the provisions lifting this limitation of liability, as mentioned above, also apply to the actual carrier and its agents. This is expressly provided for in Article 1187/2 of the TTK.

Within this framework, as noted above in the section on the liability of the carrier and the ship's crew, an unjustified deviation by the captain from the agreed route may not, in itself, result in the loss of the right to limit liability. However, if the deviation occurs as a result of the captain acting recklessly and with knowledge that damage would likely occur, the captain may be held fully liable for the resulting loss or damage. In this context, "full liability" generally refers to the loss suffered by the cargo interest, for example the value of the damaged goods, i.e. the actual amount of the loss.

7. Operational and Legal Assessment in Light of Recent Developments

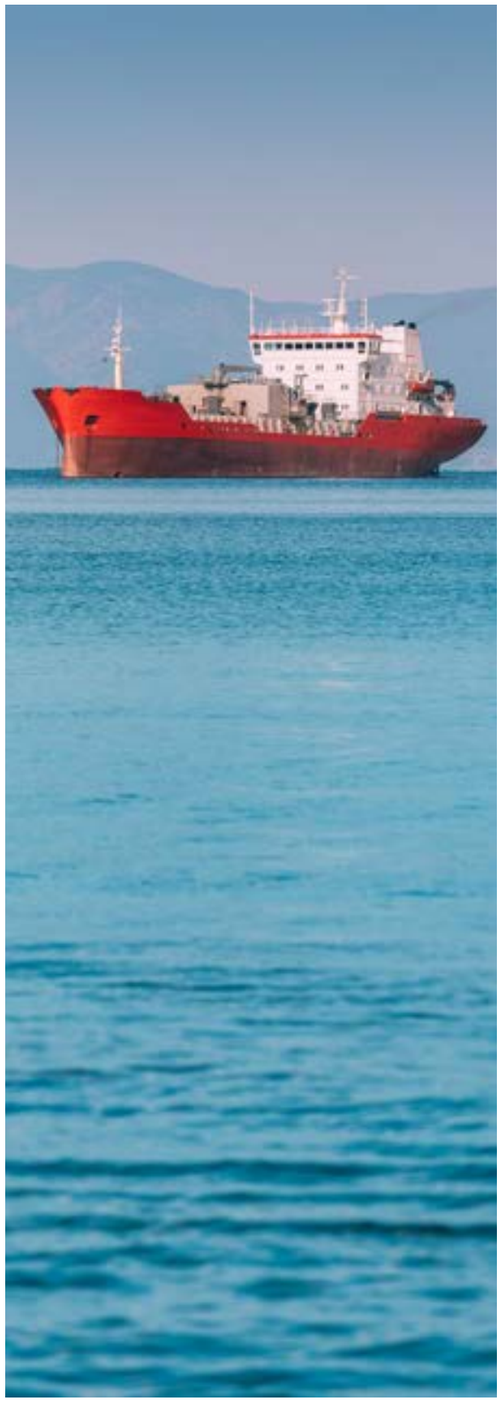
In recent years, crises centered around the Red Sea and the Strait of Hormuz have turned the theoretical principles of maritime law into practical necessities. In particular, the attacks carried out by Yemeni Houthis in the Red Sea, primarily in 2024, and Iran's tightening control over the Strait of Hormuz in recent years have significantly affected global container traffic.

For instance, during the Red Sea crisis, major container shipping lines suspended their transits through the Suez Canal and redirected their vessels around the Cape of Good Hope. This has extended voyage durations while increasing fuel costs and carbon emissions. From a legal perspective, such deviations may (subject to assessment in each specific case) be characterized as

"justified deviations" under Article 1120 of the TTK, as they aim to safeguard the safety of the crew and the cargo.

At the same time, these route changes have caused unexpected congestion at destination ports, particularly in the Mediterranean and Northern Europe. Carriers have also introduced new cost items in response to increased operational risks. Although this issue falls outside the main scope of this article, it has also revived discussions surrounding "unforeseen circumstances" and "excessive hardship" in freight contracts.

In the current situation, tensions in the Strait of Hormuz, through which approximately 20% of global oil trade passes, particularly due to the escalating Israel-Iran tensions, have increased tanker freight rates. For vessels that have been trapped in the region or subjected to attacks, this situation has further highlighted the importance of defenses based on wars and perils of the sea, as discussed above.



8. Conclusion

The impact of contemporary geopolitical crises on maritime transport has transformed the carrier's duty of care from a static rule into a dynamic process of risk management. Pursuant to Articles 1141 and 1178 of the TTK, the carrier may be required to alter the vessel's route in order to protect the ship and the cargo in regions presenting concrete risks, and such conduct may be regarded as a justified deviation under Article 1120 of the TTK. However, the carrier's ability to rely on defenses based on wars (or, although not addressed in detail in this article, technical fault) depends on the vessel being seaworthy and fit for the voyage from the outset. In particular, entering high-risk areas without providing the necessary equipment or adequate crew training, despite international warnings, may be characterized as "reckless conduct" under Article 1187 of the TTK.

Crossing this threshold may ultimately result in the loss of the right to limited liability, which is the general rule, and may lead to the carrier, the actual carrier, or the ship's crew being held liable on the basis of the actual market value of the goods at the port of destination. For this reason, ensuring that the vessel is seaworthy and fit for the voyage at the outset constitutes one of the carrier's most fundamental duties of care. In other words, the assessment of whether the carrier has fulfilled the expected standard of diligence and its obligations plays a decisive role in determining liability. Accordingly, this article has examined the carrier's duty of care toward the vessel and the cargo, addressed the concepts of limited and unlimited liability and ultimately evaluated the applicable liability regime in the context of current geopolitical crises.

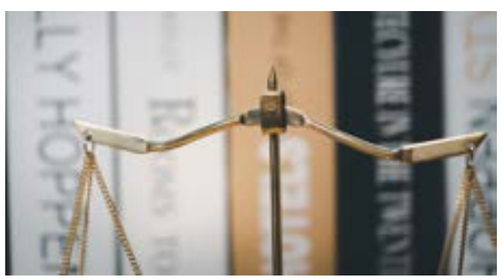
Kübra Zeren, Associate

Article

Data as Evidence in Criminal Law: A Comparative and International Perspective (France & Türkiye Focus)

The first trace of technology has been discovered in ancient Greece. Indeed, the Antikythera mechanism is the first analogue calculator, that allowed Greek to study astronomical science. However, the technology development is witnessing a great advance with the Turing machine, created to beat Enigma during World War II. With the evolution of technology, a new type of assets appeared, with a more complex structure and process. This evolution brought a new problematic in criminal law, with the arrival of new infractions and their specificities.

Criminal law has always preferred physical evidence, the one that cannot be modified or delete but with the advance of technology and more especially data, this preference was considered obsolete and needed to be improved. Ever since, criminal judges have recognized data as a valuable and recognized way of evidence in trials. However, it is now another subject that the use of data in criminal law brings to the surface: the limitations between penal efficiency decisions and the respect of fundamental rights and freedoms. Indeed, judges must ensure the protection of fundamental rights during procedures to avoid penalties. This question is not only a concern for France, but more generally a world-wide questioning.



Legality / Articles

Given the varying procedures in Europe and elsewhere, a key issue arises: How can data be used as evidence while respecting fundamental rights, and how does the principle of free evidence interact with these obligations? France and Türkiye, operating under different regimes, provide useful comparisons. Understanding the impact of data globally is essential, as data transcends borders. This study examines Turkish and French criminal systems to assess whether judges can balance fundamental rights with the use of penal evidence.

I- The Recognition of Data as Evidence in Criminal Law

A) The Necessary Recognition of Data as Evidence

Article 427 of the French procedural penal code states that offences may be proven by any means of evidence, at the judge's discretion. Evidence types include testimony, clues, documents, or confessions, subject to rules of loyalty and equality, as confirmed by a Cassation court decision from 27 November 2019 (n°19-80.247). As technology advances, judges have adapted this principle for virtual offences and evidence. In civil and penal law, electronic documents now carry the same weight as paper ones (article 1366 of the French civil code).

To illustrate, we can take the case of Mrs Gisèle Pélicot, raped multiples times by strangers and recorded by her husband more than 80 times. The investigators recovered the data from Mr Pélicot computer and more generally any electronical device to prove his guiltiness. In France, this case is one of the most representative of electronic evidence and it shows the importance of accepting evidence beyond the material aspect.

In Turkish law, the Article 206 of the Code of Criminal Procedure (Law No. 5271) is governing the principle of lawfulness in evidence

"2) The request of presentation of any evidence shall be denied in the below mentioned cases: a) If the evidence is unlawfully obtained, b) If the fact to be proven by the evidence is irrelevant with respect to the decision, c) If the request of presentation of evidence is made to delay the proceedings only". In KVKK law, the principle of lawfulness and fairness is resumed in its article 4 (2) (a) "(2) The following principles shall be complied within the processing of personal data: a) Lawfulness and fairness".

As we can see, France and countries are sharing the same values about data. Indeed, they both consider data as a valuable means of evidence. This is not surprising and both countries understood the stakes about data. However, we might notice that French law is giving more possibilities about means of evidence where Turkish law insists on the lawfulness of the evidence. This shouldn't be seen as a lack of freedom, but as a more severe approach from Türkiye, an approach that probably avoid conflicts and long procedures.

B) Data, a Powerful Advantage for Criminal Law

Data plays a key role in criminal law and offers significant benefits to the justice system, especially in speeding up processes and improving evidence recovery. Unlike paper records, data is harder to erase or alter, and encryption can help protect evidence. According to Article 57-1 of the French Penal Code, investigators may access computer systems to uncover facts, while Article 56 allows data retrieval during searches if the crime is sufficiently serious.

In France for example, since the recognition data as valuable evidence, in many cases, data has been a support for the judges. In 2024, the analysis of USB key of Jacques Leveugle has permitted to access to entire documents from 1967 to 2022. In those documents, he was recounted the rape and sexual aggression of more than 89 children when he was working as a teacher and educator. Every document of this case has been examined by judges to take their decision.

In Türkiye, e-devlet, UYAP or E-nabiz are platforms where Turkish citizens can access to their data, but also systems where all citizens are registered. It makes it easier for government to identify citizens, but it is also easier for the citizens, who are able now to track their data and use a direct access to them. This centralized platforms also allows authorities to track any financial infractions such as white collars crimes.

Data represent a huge tool for traceability as well, which means every transaction, research is tracked and recorded. However, this traceability is being called to question, especially considering fundamental rights. Indeed, if the data are tracked through French and Turkish system, are fundamental rights respected and the principle of private life protected? Law must ensure those principles to protect the citizens.

II- TheLimitations of Data to Protect Fundamental Rights

A) The Protection of Fundamental Rights, a Founding Principle of Law

Fundamental rights have always been a priority in France, especially the right to private life. The article 9 of French civil code is presenting this right as "Everyone has the right to respect for their private life". This

article is attached to articles 2 and 4 of the French Declaration of the Rights of Man and of the Citizen since the decision of court of cassation N° 99-416 from 23 July 1999. The decision from the cassation court also specified that “every person, regardless of their rank, birth, fortune, present and future functions, has the right to respect for their private life” (Cass. 1st civ., October 23, 1990). The penal sanction for this right violation is 1 year of imprisonment and 45 000 euros of fine. The cope between data and private life is a challenge for French jurisdiction but to ensure the protection of the private life rights, many conditions need to be respected in data usage such as consent, legitimately and temporary. By respecting those principles, the usage of data is not trespassing private life.

In Türkiye, data such as facial recognition, biometrics, and identity card chips are used to identify individuals, raising concerns about privacy and freedom of expression, especially due to government tracking and social media censorship. To address these issues, Türkiye enacted the KVKK law, which requires that personal data be collected lawfully, for legitimate purposes, and with user consent. Article 10 outlines the data controller’s obligations to inform users about data collection, usage, transfer, and retention, while Article 11 grants users the right to access their data and understand its purpose and destination.

In both France and Türkiye, data use is guided by fundamental rights to prevent conflicts and protect citizens. These rights are prioritized and safeguarded by law. Aligning data practices with these protections is essential for fair justice and citizen trust in government. To make justice effective and ensure the trust of citizens in legislator and government, finding a balance is necessary.

B) Harmonization and Balance, Requirements for Effective Justice

Harmonization and balance are requirements for effective justice. Indeed, the use of data must be balances with fundamental rights. In France, this balance is ensured by GDPR and for Türkiye by KVKK law. In bot countries, sanctions are possible to ensure this balance. In France, GDPR comes to regulate the usage of data in procedures, ensuring the protection of its citizen. In Türkiye, this protection in ensure by KVKK law. This harmonization is also necessary to avoid surveillance through the different data controls in France or Türkiye. Indeed, it protects the citizens from being monitored permanently.

Both countries understood the importance to use data as a tool, not to see it as an obstacle. By using platforms such as e-devlet, UYAP or E-nabiz, Türkiye understands the importance of working with data and not against it. For France, the penal judges understood the importance of data through penal law, with Gisèle Pélicot or Jacques Leveugle cases where data is the main proof. Penal law is adapting its principles with the use of data in procedures, and its appears to be necessary in both France and Türkiye. This balance is necessary, but it is also justified and legitimate.

III- Conclusion

To conclude, we can conclude that France and Türkiye are evolving through their data treatment and processing. Indeed, both of those countries are balancing treatment of data and fundamental rights to ensure the fairness of their trials and the legality of their decision. France and Türkiye are both advanced in data protection and their systems are still similar. This similarity expresses itself in their respective texts, codes and documents. French and Turkish penal law both accepted data as evidence, they both recognized its value in trials and more generally in cases. Both countries and their system understood the importance of data in penal trials and are now willing to work with data to ensure the rightfulness of their legal decisions through data scope.

Maëva Viricel, Legal Intern

Guest Sector

Guest Sector

Overview and Analysis of the Automotive Industry

1. Overview and Analysis of the Automotive Industry

1.1. Global Market Size and Sales Trends

As of 2025, the automotive market stands at approximately USD 2.75 trillion and is projected to reach USD 3.26 trillion by 2030.

During this period, global electric vehicle (“EV”) sales reached approximately 20.7 million units, accounting for roughly 25% of total passenger vehicle sales, with an estimated 60% of these sales originating from China.

As of 2025, the automotive market in Türkiye amounts to approximately USD 35–40 billion. Annual EV sales stand at around 150,000 units, corresponding to a 12–15% share of the total market. Although EV penetration in Türkiye remains below the global average, it shows a strong upward growth trend.

These figures demonstrate that electrification is driving global market growth, that China holds a visible leadership position, and that Türkiye—while still holding a limited share—represents a transition market with significant growth potential.

Electrification is widely regarded as the future of the automotive industry. However, high investment costs, battery expenses, and infrastructure gaps remain the primary obstacles. Growth in the

electric and hybrid vehicle markets, along with rising market share and expanding production capacity, has also intensified battery costs and supply chain pressures.

1.2. Digitalization and Technology Trends in the Industry

Digitalization is transforming the entire value chain of the automotive industry, from manufacturing processes to in-vehicle software and after-sales services. Data analytics and artificial intelligence applications increase efficiency on production lines, while advanced driver assistance systems, autonomous driving technologies, and connected vehicle solutions are becoming standard features. Digital twins, smart factories, and remotely updateable software architectures enable manufacturers to control costs while improving product quality.

2. Supply Chain, Raw Materials and Production

2.1. Critical Raw Material Dependencies

China holds a decisive position in rare earth elements and battery raw materials, such as lithium, cobalt, nickel, and graphite, used in the automotive and battery industries. It dominates not only extraction but also higher value-added stages of the supply chain, including refining and intermediate product manufacturing. The rapid growth in demand for electric vehicles has turned this structure into a strategic risk for the EU and the United States (“US”).

In response, the EU and the US are seeking to reduce their dependence on China by securing alternative supply sources, expanding recycling capacity, and strengthening domestic production. EU initiatives such as the Critical Raw Materials Act ("CRM Act") and the ReSourceEU Action Plan ("ReSourceEU") reflect this strategy. However, lengthy permitting processes for mining investments, environmental constraints, and high costs are expected to limit this transformation in the short term and to drive only gradual progress in the medium to long term. This landscape indicates that raw material supply will remain both an economic and geopolitical priority for the automotive and battery industries in the coming years.

The CRM Act is the EU's strategic raw material security framework, shaped as of 2024 and targeting the 2025–2030 period. It establishes the following binding targets for EU consumption:

- At least 10% must be extracted within the EU
- At least 40% must be processed within the EU
- At least 15% must come from recycling
- Dependence on any single third country must not exceed 65%

These targets directly shape the supply strategies of automotive and battery manufacturers.

ReSourceEU complements the CRM Act as an operational and project-driven EU initiative. It supports manufacturers in increasing the recycling of critical raw materials and expanding the use of secondary raw materials through EU funding, loans from the European Investment Bank ("EIB"), and public-private partnerships.

In electric vehicles and the broader automotive industry, door seals are components that directly affect driving range, aerodynamics, and noise-vibration-harshness performance. They are also critical safety elements in battery insulation and in ensuring water and dust sealing. For automotive manufacturers, these high value-added sub-industry products influence vehicle quality perception, warranty costs, and regulatory compliance. Although door seals do not fall directly within the scope of the CRM Act targets, supply chain fragility and raw material dependencies bring them indirectly within the scope of assessment.

The near-shoring rationale underpinning the CRM Act aims to deliver cost and operational efficiencies for European automotive manufacturers, including shorter lead times, reduced inventory costs, and stronger supply continuity.

2.2. Semiconductor and Component Supply Constraints

The recent semiconductor shortage caused production disruptions and significant delivery delays across the automotive industry. The root cause lay not in a shortage of raw silicon, but in capacity constraints in high-purity wafer production and advanced manufacturing technologies.

This situation has driven manufacturers to seek alternative suppliers and to strengthen local production planning. Diversifying supply chains and increasing regional manufacturing capacity have become core elements of risk management in the industry.

2.3. Critical Raw Material Crisis in Battery Production

Electric vehicle battery production depends heavily on specific critical raw materials, creating economic, legal, and geopolitical risks. Lithium, cobalt, nickel, and graphite sit at the center of regulatory compliance processes for automotive and battery manufacturers due to both supply concentration and ESG obligations.

The EU and the US now address access to these materials not merely as a matter of industrial policy, but under the framework of strategic autonomy and supply security.

While the CRM Act regulates raw material supply from a strategic autonomy and security-of-supply perspective, the Corporate Sustainability Due Diligence Directive ("CSDDD") imposes direct responsibility on companies for human rights and environmental violations arising within their supply chains. Read together, these two frameworks transform risks related to battery raw materials from purely commercial or operational concerns into direct legal exposure, including administrative sanctions, civil liability, and contractual termination risks.

For automotive and battery manufacturers supplying the EU market in particular, (a) diversification

of source countries, (b) enhanced due diligence, and (c) compliance, audit, and termination clauses in supplier agreements have become legal imperatives rather than strategic choices.

2.4. Production

The principal production and strategic manufacturing hubs of leading global manufacturers in 2025 are as follows:

Company	Production Countries / Main Facilities	Key Characteristics
Toyota	Primarily Japan; also the US; production hubs across Europe and Asia, including locations close to Türkiye	One of the world's leading manufacturers, consistently ranking at the top in total vehicle production
Volkswagen	Germany (including Wolfsburg) and approximately 255 facilities across Europe	Extensive manufacturing infrastructure in Europe; intensive battery and electric vehicle transformation programs
Tesla	Gigafactory Berlin-Brandenburg (Germany)	Strategic manufacturing facility established to expand European electric vehicle production capacity
BYD	China: Xi'an, Hefei, Changsha, among others; also India, Thailand, Brazil, and Hungary	Large-scale China-based production capacity; strong global electric vehicle manufacturing capabilities
Great Wall Motor	Baoding and Tianjin in China; several international facilities	One of China's original equipment manufacturers ("OEMs") with an active global expansion strategy

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3. EU Green Policies and Regulations

3.1. EU Emission Standards and Regulatory Framework

Under the EU's Green Deal and "Fit for 55" objectives, emission standards applicable to the automotive industry are becoming progressively stricter. Discussions continue regarding a potential ban on the sale of internal combustion engine vehicles as of 2035. Meanwhile, initiatives led primarily by Germany have brought limited flexibility for hybrid and low-carbon alternatives onto the agenda. These regulatory developments fundamentally reshape the industry's investment planning and product strategies.

3.2. Local Content and Supply Requirements

Debates within the EU on strengthening local manufacturing and regional supply chains through "local content" requirements create both opportunities and additional compliance burdens for the automotive industry. This approach may generate a competitive advantage for countries geographically close to the EU and highly aligned with its regulatory framework.

4. The Automotive Industry in Türkiye

Türkiye's automotive supplier industry continues to maintain its export performance. However, rising import volumes, increasing production costs, and expanding international regulatory obligations place the industry within an increasingly complex legal and administrative framework in terms of competition. Highly integrated into the EU market, the industry now faces growing compliance pressure not only in terms of price and delivery timelines, but also with respect to ESG standards, product safety, traceability, and supply chain transparency. This shift fundamentally alters the nature of competition for Turkish suppliers and elevates legal compliance capacity to a de facto competitive criterion.

Data from the Automotive Suppliers Association of Türkiye ("TAYSAD") and industry reports indicate that efforts to preserve export volumes are increasingly balanced against rising regulatory compliance costs. Regulations introduced and gradually expanded under the EU Green Deal broaden suppliers' contractual liability exposure, particularly through carbon footprint calculations, environmental disclosure obligations, and sustainable production criteria.

Accordingly, suppliers' exposure now extends beyond their final products to include their production processes and sub-supply chains, both of which have become subject to legal scrutiny. In particular, the CSDDD and the Corporate Sustainability Reporting Directive ("CSRD") encourage EU-based OEMs to demand comparable levels of compliance and reporting from non-EU suppliers.

In addition, the failure to modernize the Customs Union between Türkiye and the EU creates legal uncertainty and predictability concerns for the automotive supplier industry. Free trade agreements concluded by the EU with third countries do not automatically extend to Türkiye, potentially placing Turkish suppliers at a relative tariff disadvantage in certain markets. This dynamic requires a joint assessment of legal and commercial risks, especially for automotive components with low margins and time-sensitive delivery schedules.

Consequently, the competitiveness of Türkiye's automotive supplier industry depends not only on cost efficiency and production capacity, but also directly on compliance with international regulations, effective management of contractual risks, and the assurance of legal predictability. Current trends compel the industry to evolve beyond its traditional supplier role toward a more institutional and legally sophisticated structure that presents regulatory compliance and sustainability as core elements of its value proposition.

5. Logistics and Supply Chain Challenges

5.1. Global Logistics Disruptions

Vulnerabilities that emerged in global logistics chains in the post-pandemic period have ceased to be temporary operational disruptions. They have evolved into structural risk areas directly linked to geopolitical developments, trade policies, and sanctions regimes.

Security risks along the Red Sea and Suez routes, the restructuring of Europe–Asia land and maritime corridors following the Russia–Ukraine war, and strategic trade restrictions between the US and China have compelled automotive manufacturers to reassess supply and logistics decisions within a legal and tax risk framework.

In this context, rising transportation costs and port delays no longer constitute mere cost factors. They generate significant legal consequences in terms of contractual delivery obligations, interpretations of force majeure, and penalty clauses. Against this backdrop, the "China + 1" approach has evolved from a purely operational preference into a compliance-driven strategy shaped by sanctions risks, customs tariffs, and trade defense instruments. Additional US tariffs on Chinese-origin automotive and battery products, the EU's expanding anti-dumping and anti-subsidy investigations, and the stricter enforcement of rules of origin render excessive dependence on a single production or sourcing country legally and financially unsustainable. Manufacturers therefore increasingly favor producing in jurisdictions that benefit from free trade agreements, structuring supply chains to secure origin advantages and restructuring production–distribution networks to minimize customs duty exposure.

At the same time, carbon border measures and indirect tax burdens have become decisive factors in logistics and supply chain decisions. Although the EU Carbon Border Adjustment Mechanism does not initially cover finished automotive products, it indirectly increases costs for manufacturers in the supply chain by making carbon-intensive transport and long-distance logistics models less viable. Moreover, expanded audit powers of customs authorities, documentation requirements relating to origin, supply chain transparency obligations, and disclosure requirements concerning third-country inputs reinforce the legal compliance dimension of logistics operations.

Accordingly, digital monitoring and traceability systems now serve not only operational efficiency objectives but also function as critical tools for managing customs, sanctions, and international trade law risks. Regionalized production structures and strategic stockpiling practices operate as risk-mitigation mechanisms designed to provide legal and financial predictability in the face of rising tariffs, unexpected trade restrictions, and administrative delays at border crossings.

6. Conclusion and Analysis

The automotive industry has evolved beyond conventional industrial dynamics into a multilayered structure in which technology, regulation, sustainability, and geopolitical risks are increasingly intertwined. Electrification, digitalization, and supply chain transformation are fundamentally reshaping not only production models but also the legal risk landscape of the industry.

In the current environment, competitive advantage is no longer limited to cost efficiency, production capacity, or engineering capabilities. Indeed, regulatory compliance, supply chain transparency, the management of ESG obligations, and the control of risks arising from data and technology have also become strategic factors that directly determine companies' market positions. EU regulations are creating obligations even for manufacturers and suppliers located outside the EU, establishing a new global compliance standard through contractual relationships.

Within this framework, the principal risk areas for automotive companies can broadly be summarized as follows:

i. dependence on critical raw materials,
ii. supply chain fragility,
iii. increased compliance and reporting obligations,
iv. liability regimes arising from digitalization and artificial intelligence, and
v. trade policies and uncertainties related to taxation.

The current trajectory of the sector requires companies to strengthen not only their operational resilience but also their legal and regulatory robustness. The integration of compliance mechanisms into corporate governance, the proactive management of contractual risks, and the restructuring of supply chains from a legal perspective are emerging as key determinants of sustainable competitiveness.

In conclusion, the automotive industry is transforming from a production-focused sector into a strategic ecosystem shaped by regulation, technology, and risk management. In this new landscape, legal predictability and compliance capacity are no longer merely obligations for companies but have become direct sources of competitive advantage.

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Special Day

Special Day

International Day of Women and Girls in Science: A Multidimensional Perspective on Participation in Science

Each year on 11 February, the international community draws attention to the role and participation of women and girls in Science, Technology, Engineering, and Mathematics (“STEM”) fields. The International Day of Women and Girls in Science, proclaimed by the United Nations (“UN”) General Assembly (“UNGA”) in 2015, reminds us that participation in science should be assessed not only in terms of numerical increase but also in terms of quality and sustainability. The observance of this day provides an opportunity to evaluate both areas of progress and ongoing barriers in light of the relevant data.

The adoption of 11 February as an international day was driven largely by initiatives from the Royal Academy of Science International Trust (“RASIT”). With facilitation from the Government of Malta and support from over sixty countries, the UNGA adopted Resolution 70/212 on 22 December 2015, formally designating 11 February as the International Day of Women and Girls in Science. The resolution calls on Member States, UN entities, individuals, and private-sector actors to undertake awareness-raising and educational initiatives that promote full and equal access for women and girls in science.

The resolution demonstrates a strong connection to previously adopted normative texts. In this context, it references UNGA Resolution 70/1, “Transforming our World: the 2030 Agenda for Sustainable Development”, emphasizing that the goals of quality education and gender equality are directly linked to science policy. The resolution also recalls Resolution 68/220, which highlights that ensuring full and equal access for women to science, technology and innovation is an indispensable element in achieving gender equality.

Following the adoption of Resolution 70/212, RASIT engaged with UNESCO and UN Women on 4 January 2016. As a result of these contacts, UNESCO issued an official communication shortly, recognizing RASIT’s expertise in empowering women and girls in science and requesting from it to take a leading role in organizing international celebrations. This development transformed 11 February from a day of awareness and commemoration into a platform where women in science could directly shape the agenda.

Accordingly, the annual themes established for the International Day of Women and Girls in Science are designed to be informed directly by the experiences and priorities of women working in science. This approach aims to highlight women’s

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leadership roles in sustainable development processes and strengthen these roles on a global scale. Indeed, 11 February has become one of the few international observances addressed at the head-of-state and government level in the UN calendar and is recognized as one of the events with the broadest co-organizer and sponsor participation. Furthermore, the annual General Assembly meetings held in this context have been led by girls active in science, marking the first of such assemblies, and have provided a platform for women scientists with visual and hearing impairments to have their voices heard.

Accurately assessing the position of women in science requires considering three key dimensions together: access to education, representation across scientific fields, and participation in decision-making. The interplay among these dimensions helps to clearly distinguish numerical growth from structural empowerment.

Historical data indicate that this distinction has persisted over time. In the United States ("US"), the number of women earning degrees in science and engineering rose steadily between the 1960s and 1980s; however, since the 1980s, this growth has slowed noticeably. Similarly, a comprehensive study conducted in the United Kingdom ("UK") in 2013 revealed limited change in women's participation in STEM fields over the preceding twenty-five years. This pattern appears to be linked less to individual choices and more to structural and cultural barriers.

These barriers show regional variations yet share common patterns. In regions such as Africa, South Asia, and the Caribbean, early marriage, domestic responsibilities, and discriminatory labor market practices have limited women's progress not only in science and technology but in education in general. In developed countries, the challenge often lies not in access but in guidance and encouragement mechanisms. Research in the UK, for instance, has shown that girls receive less encouragement from teachers, families and peers in fields like physics, and that widespread gender biases directly influence their educational choices.

On a global scale, women's participation in science shows clear regional disparities. In the US, relatively low enrollment rates in science education are seen as limiting women's participation in STEM fields. By contrast, in parts of the Arab world, female participation in science education is very high, with women accounting for 60 to 80 percent of total enrollments in some countries. However, this high participation does not translate into equivalent progress in career advancement; social norms and labor market barriers continue to restrict upward mobility.

Data from international organizations reinforce this picture. According to UNESCO's Science Report, women comprise roughly one-third of researchers worldwide. While this proportion has been increasing in recent years, research ecosystems still fall short of achieving balanced representation. Across fields, women are relatively well represented in health and life sciences, but significantly underrepresented in engineering, technology, and information fields.

European Union ("EU") data reflect a similar structural gap. The She Figures 2024 report by Eurostat shows that women make up approximately 41 percent of academics across the EU. However, their representation declines at higher academic ranks: women account for only around 26–30 percent of professors on average. In most countries, women comprise 25–30 percent of professionals in engineering and technology, whereas distribution is more balanced in medicine and the social sciences.

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In Türkiye, the picture appears relatively positive in terms of access. According to data from the Council of Higher Education, women account for approximately 47 percent of academics in Türkiye, exceeding the European average. However, when examined by academic rank, the strong representation of women at early career stages declines sharply at the associate professor and full professor levels, pointing to structural barriers to advancement.

It is also recognized that scientific output is not limited to research activities since allocation of funding, determination of strategic priorities and institutional governance processes form an integral part of the overall structure. In the EU, women hold roughly 26 percent of leadership positions in higher education institutions, while in Türkiye, female representation in administrative roles lags behind their overall share among academics. This gap clearly highlights the difference between access and participation in decision-making.

Social perceptions also reinforce this pattern. Representations in media and popular culture largely associate the image of a scientist with masculinity. The 2015 study “Gender Bias Without Borders” by Geena Davis Institute found that only 12 percent of on-screen characters working in STEM fields were women. Such portrayals are believed to shape girls’ engagement with science from an early age.

In conclusion, 11 February represents more than a symbolic day of awareness. It serves as an important moment that brings into focus the multilayered and structural nature of gender equality in science. Current data show that progress in access has not been matched by comparable gains in decision-making and leadership roles. Achieving genuine equality will therefore depend less on numerical representation and more on transforming the structures of the scientific ecosystem and its governance mechanisms.

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News to the World

Legality
News to the World

Legality / News to the World

Amendments to the Regulation on Personal Health Data

Amendments introduced by the Regulation Amending the Regulation on Personal Health Data ("Amending Regulation"), published in Official Gazette no. 33096 of 3 December 2025, have entered into force, introducing significant changes to the processing of personal health data and the methods of accessing such data. Accordingly, the Amending Regulation has replaced the phrase "affiliated and related institutions" used previously with "institutions affiliated with the Ministry of Health and other related institutions," eliminating uncertainties in practice. In addition, it has updated the core provisions of the Regulation in line with Law No. 6698 on the Protection of Personal Data ("Law") and the relevant Presidential Decrees.

As part of definitional amendments, the Amending Regulation has incorporated the term "caregiver" into the legal framework. It has also explicitly aligned the conditions for processing personal health data with the provisions governing the processing of special categories of personal data under Article 6(3) of the Law. One of the most notable aspects of the amendments is the clarification of physicians' access periods to health data. Accordingly:

- Family physicians may access their patients' health data without any time limitation.

- Physicians providing healthcare services upon application may access such data only for the duration of the healthcare service provided and the completion of medical procedures directly related to that service.

- In emergency situations, health data may be accessed, regardless of security settings, from the patient's admission to intensive care until discharge.

With respect to the security framework of the e-Nabız system, access to past health data of data subjects who have activated personal security settings requires the patient to share with the physician a verification code sent to their mobile phone. However, in circumstances where such a verification code cannot be obtained, such as detention or imprisonment, physicians may access the data without verification of the security settings.

The Amending Regulation also introduces detailed provisions regarding access to children's health data. During ongoing divorce proceedings or following a divorce, the parent granted custody will have the right to access the child's health information. Where a parent without custody submits a request, the relevant General Directorate may, following its assessment, share information that does not contain sensitive data.

The amendments also introduce provisions allowing caregivers to access the health information of individuals who hold a disability medical board report. In addition, the period for responding to requests submitted to the data controller has been extended from 20 days to 30 days. In cases of unlawful access to data, the Amending Regulation now adopts the principle that the relevant disciplinary supervisor will take the necessary action, rather than providing for the immediate revocation of access authorization.

See the full Regulation at:

https://www.resmigazete.gov.tr/eskiler/2025/12/20251203-2.htm

Amendments Introduced to Decision on the Implementation of Certain Provisions of Customs Law No. 4458

The Presidential Decision Amending the Decision on the Implementation of Certain Provisions of Customs Law No. 4458 ("Amending Decision"), published in Official Gazette no. 33098 of 5 December 2025, introduces significant and wide-ranging amendments to the customs framework. Accordingly, the Amending Decision revises several provisions governing the implementation of Customs Law No. 4458 and expands the scope of certain exemptions and exceptions.

In this context, the Amending Decision revises paragraph six of Article 19. The amendment expressly adds aircraft engines to the exemption and customs regime rules that previously applied only to sea, air, and rail transport vehicles. The change aims to ensure consistency in customs procedures, particularly for engines used in aviation, and to clarify the scope of the relevant exemptions.

The Amending Decision also introduces an important rule in an additional paragraph to Article 89. Accordingly, for international sports competitions organized in Türkiye by the Union of European Football Associations (UEFA) and for all related events held as part of these organizations, goods eligible for free circulation under the applicable exemption regime may:

- be destroyed,
- be distributed free of charge, or
- be sold for charitable purposes at a symbolic price.

Through this amendment, the Amending Decision aims to provide greater flexibility in customs procedures governing the disposal of goods remaining after international sports events.

The Amending Decision further increases the monetary threshold set out in the first paragraph of Article 126. While the previous provision allowed the relevant threshold to be increased by up to “ten times,” the amendment raises this limit to “twenty times.” This increase aims to align the administrative monetary thresholds applied in customs procedures with current economic conditions.

Finally, the Amending Decision repeals Provisional Article 4 in its entirety, thereby ending the application of this temporary provision and strengthening the overall coherence of the legislation.

See the full Decision at:

https://www.resmigazete.gov.tr/eskiler/2025/12/20251205-15.pdf

New Communiqué on Foreign Trade Capital Company (DTSŞ) Status

The Communiqué on the Status of Foreign Trade Capital Companies (Export: 2025/7), published in Official Gazette no. 33112 of 19 December 2025, establishes new procedures, conditions, and obligations governing Foreign Trade Capital Company (“DTSŞ”) status. The Communiqué aims to support economies of scale in foreign trade and encourage companies to expand into international markets.

Issued by the Ministry of Trade, the Communiqué comprehensively regulates the granting, use, and revocation of the DTSŞ status. Under the new framework, a company must meet the following requirements to obtain this status:

- achieve exports of at least USD 100 million in the previous calendar year, and
- operate as a joint-stock company with paid-in capital of at least TRY 10 million.

Under the transitional provision set out in the Communiqué, applications submitted until 31 December 2026 will be subject to a reduced paid-in capital requirement of at least TRY 2 million.

Companies seeking DTSŞ status must submit their applications each year through the Support Management System (DYS) by the last day of January. As part of the application process, applicants must also provide an official letter from their tax office confirming that they have not issued misleading documents.

Once the Ministry approves and publishes the DTSŞ status in the Official Gazette, the status remains valid until the Official Gazette announces the decision regarding the following year.

The Communiqué also authorizes DTSŞ companies to act as intermediaries in the export activities of other companies. Unless the parties agree otherwise in their contract, the manufacturer or supplier retains legal responsibility for production, supply, and product-related obligations in intermediary export transactions. On the other hand, DTSŞ companies bear full administrative and criminal liability for export transactions they carry out in their own name and on their own account.

The Communiqué further provides that the Ministry will revoke DTSŞ status if a company misuses the status, prepares misleading documents, or submits forged documents during the application process. In such cases:

- companies whose status is revoked due to the use of forged documents may not reapply for two years, and

- companies whose status is revoked for other violations may not reapply for one year.

The Communiqué repeals the previous regulation that had been in force since 2004. Although the new Communiqué entered into force upon publication, it preserves the vested rights of existing DTSŞ companies under the previous legislation until the Official Gazette publishes the DTSŞ decision for 2026.

See the full Communiqué at:

https://www.resmigazete.gov.tr/eskiler/2025/12/20251219-22.htm

Significant Amendments to Notification Thresholds for Mergers and Acquisitions

The Communiqué (Communiqué No. 2026/2) Amending the Communiqué (Communiqué No. 2010/4) on Mergers and Acquisitions Requiring the Authorization of the Competition Board, published in Official Gazette no. 33165 of 11 February 2026, introduces significant changes to the notification requirements for mergers and acquisitions ("M&A").

The Turkish Competition Authority prepared the Communiqué by taking into account practical needs and changes in macroeconomic indicators. Accordingly, the amendment revises the turnover thresholds used to assess M&A transactions.

Thus, the Communiqué:

- updates the turnover thresholds that trigger mandatory notification in M&A transactions,

- revises existing monetary limits in line with changes in economic size and market conditions, and

- aims to increase the effectiveness of the notification system while balancing the administrative burden on transaction parties.

The Communiqué also introduces important provisions concerning technology startups. As such, it aims to prevent M&As involving innovative startups (companies that may not yet generate high turnover but possess innovative technologies, valuable data assets, or significant market potential) from falling outside the scope of competition law review. In this respect, the

amendment carries particular importance for digital markets and technology-driven investments.

The Communiqué entered into force upon publication and will apply directly when determining notification obligations for future M&A transactions.

See the full Communiqué at:

https://www.resmigazete.gov.tr/eskiler/2026/02/20260211-5.htm

Amendment to the Competition Authority's Pre-Notification Requirement for Acquisitions Through Privatization

The Communiqué (Communiqué No. 2026/3) Amending the Communiqué (Communiqué No. 2013/2) on the Procedures and Principles to Be Followed in Pre-Notifications and Authorization Applications to the Competition Authority for the Legal Validity of Acquisitions through Privatization, published in Official Gazette no. 33165 of 11 February 2026, introduces an important procedural change for acquisitions carried out through privatization.

Under the new Communiqué, if the turnover of the undertaking or the affiliated production unit to be acquired during a privatization process exceeds TRY 1 billion, a new preliminary stage will be applied for competition law review. In such cases, the relevant parties must submit a pre-notification to the Competition Authority before publicly announcing the tender conditions and obtain the opinion of the Competition Board, which will serve as a basis for preparing the tender specifications. The amendment aims to identify potential competition law concerns at an early stage of the privatization process and thereby ensure greater legal certainty during the tender process.

The Communiqué also introduces an important exception regarding turnover calculations. When calculating the turnover of the undertaking or production unit planned for privatization, sales made to public institutions and organizations (including local authorities) under statutory obligations will not be included in the turnover calculation. This rule aims to ensure a more accurate turnover assessment, particularly for undertakings that conduct a significant portion of their activities with public entities.

The Communiqué entered into force on the date of its publication and will apply directly to privatization and acquisition processes initiated thereafter.

See the full Communiqué at:

https://www.resmigazete.gov.tr/eskiler/2026/02/20260211-6.htm

HSK Decision on the Consolidation of Commercial Courts of First Instance in Istanbul

The General Assembly of the Council of Judges and Prosecutors ("HSK") reviewed a letter prepared by the Ministry of Justice's General Directorate of Personnel for its decision published in Official Gazette no. 33174 of 20 February 2026, regarding the consolidation of Bakırköy, Istanbul Anadolu, and Küçükçekmece Commercial Courts of First Instance into Istanbul Commercial Courts of First Instance and the extension of the jurisdiction of Istanbul Commercial Courts of First Instance to cover "the entire administrative boundaries of Istanbul".

Under the HSK General Assembly's decision, Bakırköy, Istanbul Anadolu, and Küçükçekmece Commercial Courts of First Instance no longer fall within the jurisdiction of the corresponding high criminal courts. Accordingly, Istanbul Commercial Courts of First Instance now hold jurisdiction over "all administrative boundaries of Istanbul".

The decision takes effect from the date when Bakırköy, Istanbul Anadolu, and Küçükçekmece Commercial Courts of First Instance cease their functions. All pending cases in the discontinued courts will be transferred to Istanbul Commercial Courts of First Instance, which will serve as the competent authority. The restructuring aims to simplify jurisdiction in commercial disputes across Istanbul, centralize the case workload, and eliminate authority-related uncertainties in practice.

See the full Decision at:

https://www.resmigazete.gov.tr/eskiler/2026/02/20260220-1.pdf

Constitutional Court Decision on On-Site Inspection Authority

The Constitutional Court has concluded the applications submitted by the 13th Chamber of Council of State and the11th Administrative Court of Ankara (decision no. 2025/224, 06.11.2025; Official Gazette no. 33171, 17.02.2026) The applications challenged certain provisions of Article 15 of Law No. 4054 on the Protection of Competition, which governs on-site inspections:

- the phrase “when it deems necessary…” in paragraph one, and

the provision in paragraph three stating “If an on-site inspection is obstructed or likely to be obstructed, it shall be conducted with the decision of the criminal peace judge.”

The Constitutional Court, by a majority decision, ruled that the Competition Authority’s power to conduct on-site inspections when it deems necessary does not violate the Turkish Constitution. With this decision, the authority to conduct on-site inspections, one of the most critical tools in competition law enforcement, has been constitutionally reaffirmed.

Key reasons highlighted in the Court’s decision include:

- Protecting competition and preventing cartels are among the state’s constitutional obligations.

- The authority to conduct on-site inspections serves the public interest.

- The procedures and scope of inspections are sufficiently defined in law, and they do not conflict with the rule of law.

- Inspections carried out under an authorization are not unlimited, and a balance is maintained between fundamental rights and competition law protection.

In practice, despite the Constitutional Court’s 2023 ruling, the Competition Authority has carried out on-site inspections without obtaining a criminal peace judge’s decision. Therefore, this new decision legitimizes the practical exercise of on-site inspection authority.

See the full Decision at:

https://www.resmigazete.gov.tr/eskiler/2026/02/20260217-7.pdf

Legality / News to the World

Amendments Introduced to Regulations on Electricity Storage Activities

Amendments published in Official Gazette no. 33122 of 29 December 2025 introduce comprehensive changes to the procedures and principles governing electricity storage activities under the following regulations:

- Regulation on Electricity Storage Activities in the Electricity Market,
- Electricity Market Balancing and Settlement Regulation,
- Electricity Market Licensing Regulation, and
- Regulation on the Certification and Support of Renewable Energy Resources.

The amendments clarify the legal status of electricity storage activities in relation to licensed and unlicensed generation facilities, consumption facilities, and standalone storage facilities, while also revising their interaction with balancing, settlement, and YEKDEM (the Renewable Energy Resources Support Mechanism) practices.

The amendments explicitly state that electricity storage facilities established by unlicensed electricity generation facilities fall within the scope of storage activities. In unlicensed generation facilities, if surplus energy is supplied to the grid through storage facilities, no payment will be made for the remaining energy after netting, and such energy will be treated as a free contribution to YEKDEM.

Legality / News to the World

With respect to integrated electricity storage units within generation facilities, the amendments allow storage units to supply electricity to the grid (subject to certain technical conditions) if the primary energy source is partially or fully unavailable. The regulation also provides that these storage units will participate in ancillary services and the balancing market through the settlement units to which the generation facility is connected.

Regarding storage facilities integrated into consumption facilities, the amendments recognize electricity storage facilities located within industrial zones, which have a status similar to organized industrial zones, as storage facilities integrated into consumption facilities.

For standalone electricity storage facilities, the amendments limit the amount of energy that may be delivered to the system during the settlement period to the facility's approved electrical installed capacity. Any energy exceeding this limit will be treated as a free contribution to YEKDEM.

The amendments also revise the rules governing the allocation of injection-withdrawal units used as the basis for settlement (UEVÇB) for electricity generation facilities with storage and for storage units integrated into generation facilities. In addition, the obligation for electricity storage facilities to operate as balancing units has been restructured based on their electrical installed capacity, extending the obligation to facilities with 30 MW or more storage capacity.

Furthermore, standalone electricity storage facilities with a capacity below 30 MW may operate as balancing units upon request, provided that the relevant authorities approve the application.

In relation to license and pre-license amendment procedures, the amendments now expressly classify changes to the installed capacity or storage capacity of storage units as grounds for amendment. In such cases, operators must obtain the opinion of the relevant transmission or distribution system operators.

The amendments also stipulate that, under certain conditions, energy drawn from the system and stored by electricity generation facilities with storage will not be included in purchase calculations.

For calculations under YEKDEM, the regulation now adopts the principle of distinguishing whether electricity supplied to the system has been stored or delivered directly. Accordingly, the amendments revise the YEKDEM pricing and calculation methods applicable to electricity supplied to the system after storage.

Finally, the amendments provide that, if energy generated and stored while a facility was within the YEKDEM scheme is later supplied to the grid after the facility exits the scheme, such energy will not be included in YEKDEM calculations.

See the Amendments at:

https://www.resmigazete.gov.tr/29.12.2025

Regulation on Transparency and Market Integrity in Energy and Environmental Markets Published

The Regulation on Transparency and Market Manipulation in Energy and Environmental Markets (“Regulation”), prepared by the Energy Market Regulatory Authority (“EMRA”), was published in Official Gazette no. 33168 of 14 February 2026.

The Regulation establishes the framework for ensuring transparency, data disclosure, and market integrity oversight in energy and environmental markets. Its scope covers the electricity and natural gas markets, as well as the balancing and ancillary services markets, and the emissions trading and renewable energy guarantees of origin markets.

Under the Regulation, Energy Exchange Istanbul (“EPİAŞ”) will establish an Inside Information Platform where market participants must disclose inside information that may affect market prices. Participants must disclose information (such as constraints related to generation and transmission capacity) accurately, completely, and in a timely manner.

Under certain conditions, participants may delay disclosure to protect legitimate interests. In such cases, they must notify EPİAŞ of the delay decision together with its justification, and the EMRA will review the decision.

Information that does not qualify as inside information, such as price data, transaction volumes and general market data, will be published through the Transparency Platform. The system will protect participant identities and trade secrets, and it will not publish data that could create competition law risks.

The Regulation prohibits the misuse of inside information and market manipulation. Unauthorized disclosure of information, misleading price signals, and artificial price formation will constitute violations.

Participants must identify and safeguard inside information, prevent its misuse, and report suspicious transactions. Market operators must also establish market monitoring and surveillance systems.

For violations, authorities may impose administrative fines of up to TRY 25,098,000. EMRA may also impose additional measures, including penalties of up to twice the benefit obtained or damage caused, collateral requirements, and temporary trading bans.

The Regulation will enter into force on 1 June 2026, and market participants must complete all preparations to ensure compliance with inside information management and data disclosure requirements by that date.

See the full Regulation at:

https://www.resmigazete.gov.tr/eskiler/2026/02/20260214-5.htm

Minimum Capital Requirements for Payment and Electronic Money Institutions Updated

Under the Regulation on Payment Services and Electronic Money Issuance and Payment Service Providers ("Regulation"), the minimum capital requirements applicable to payment and electronic money institutions are determined annually in January by the Central Bank of the Republic of Türkiye ("CBRT"). In line with this, the CBRT Communiqué published in Official Gazette no. 33154 of 31 January 2026 updates the minimum capital requirements as follows:

- Payment institutions intermediating bill payments: increased from TRY 15 million to TRY 20 million,
- Other payment institutions (those not providing the online presentation of payment account information as regulated under Article 4/1-(g)): increased from TRY 30 million to TRY 40 million,
- Electronic money institutions: increased from TRY 80 million to TRY 105 million.

Institutions must meet the new minimum capital requirements by 30 June 2026.

See the full Regulation at:

https://www.resmigazete.gov.tr/eskiler/2026/01/20260131-19.pdf

World News

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Meta Hit With $375 Million Penalty in New Mexico Child Abuse Case

Meta must pay $375 million in a New Mexico civil case after a jury found the company misled users about platform safety and enabled harm to children. Jurors concluded that Meta violated the state's consumer protection laws.

The New Mexico Attorney General's Office filed the lawsuit in 2023, alleging that Meta's platforms created conditions that allowed crimes such as child abuse and sexual exploitation. Evidence presented at trial indicated that employees and external experts repeatedly warned about these risks, but the company failed to take adequate action.

Testimony also focused on encryption changes in Meta's messaging systems, which prosecutors said made it more difficult to access evidence and impeded law enforcement investigations. Authorities argued that reports of criminal activity on the platform were often insufficient and, in many cases, unusable.

Meta said it plans to appeal. The company stated it has invested heavily in user safety and continues to take steps to combat criminal activity, citing additional safeguards for younger users.

The decision is expected to set a notable precedent on the extent of social media companies' liability for harms on their platforms. In the next phase of the case, prosecutors are expected to seek further penalties and stronger measures to protect children.

EU to Begin Provisional Application of Mercosur Trade Deal

The European Union is set to provisionally apply its controversial trade agreement with Mercosur from May 1, 2026. The European Commission has completed the required procedural steps for the deal, which covers Argentina, Brazil, Paraguay and Uruguay. As a result, some tariffs on goods will be reduced and trade flows will begin to accelerate, despite an ongoing legal challenge before the Court of Justice of the European Union.

Rather than waiting for the standard ratification timeline, Brussels has activated a special provisional application mechanism. Although opposition in the European Parliament has pushed for judicial review of the agreement's legality, the Commission—under pressure from countries including Germany and Spain—has opted to move ahead without delay. Argentina, Brazil and Uruguay have completed their notifications of approval, and Paraguay is expected to submit its formal notification shortly.

The new arrangement will create a vast free trade area covering more than 700 million people across the European Union and South America. The Commission argues that the move will open new market opportunities for European exporters, make the investment climate more predictable and strengthen supply chains, particularly for critical raw materials. European farmers, however, continue to strongly oppose the deal, warning that imports from Mercosur will create unfair competition.

Meta to Remove End-to-End Encryption From Instagram Messages

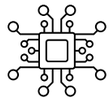
Meta has decided to remove end-to-end encryption support for private messages on Instagram, citing security concerns raised by law enforcement and child protection groups. Under the update, the feature will no longer be available after May 8.

End-to-end encryption allows only the sender and recipient to read messages, preventing platforms and third parties from accessing their contents. With the change, however, Meta may gain the ability to access message content.

The move follows criticism that encrypted messaging makes it harder to detect child abuse material. Organizations such as the Internet Watch Foundation and the Virtual Global Taskforce have argued that encryption hampers efforts by law enforcement to combat online crime.

Meta CEO Mark Zuckerberg said in 2019 that the company planned to shift platforms such as Instagram, Messenger and WhatsApp toward more secure, encrypted communication, a transition that was implemented in 2023. The latest decision signals a change in that approach.

End-to-end encryption remains widely used across platforms including Signal, iMessage, Google Messages and WhatsApp.



European Parliament Backs New Copyright Framework for AI

The European Parliament (EP) has adopted a sweeping set of recommendations aimed at resolving disputes over the use of copyrighted content in training artificial intelligence systems. The report, prepared by the Parliament's Committee on Legal Affairs, calls for all AI models operating within the bloc to fully comply with European Union (EU) copyright law.

A central element of the proposal is the creation of a "European Registry" within the European Union Intellectual Property Office (EUIPO). The registry would transparently list every copyrighted work used to train AI models, as well as artists who choose not to participate in such use. The requirement for companies to disclose their data sources would pave the way for platforms that fail to comply to face direct "copyright infringement" claims.

The Parliament cited the need to protect the creative sector—estimated to account for around 7% of the EU economy—as a key justification for the move. Members of the European Parliament (MEPs) argued that artists and rights holders should receive a "fair share" of the value generated from their works. MEP Axel Voss stressed that generative AI must operate within the framework of "the rule of law".

The proposal has exposed divisions between the technology and creative industries. Composers' and authors' societies welcomed the move as historic support, while technology groups such as the Computer & Communications Industry Association (CCIA) warned that strict transparency requirements could function as a "compliance tax." Industry representatives also cautioned that the measure could undermine Europe's global digital competitiveness.

Under the current system, companies can carry out data mining unless rights holders object. The new report is expected to subject the process to much stricter oversight and prior authorization requirements.

South Korea Fines Mercedes-Benz $7.6 Million Over Alleged Misleading EV Battery Claims

South Korea's Fair Trade Commission has fined Mercedes-Benz 11.2 billion won (about $7.6 million) for allegedly providing misleading information about electric vehicle (EV) battery suppliers. The regulator said the company misrepresented the batteries used in its EQE and EQS models, stating in promotional materials that they contained cells from CATL, one of the world's largest EV battery manufacturers, while failing to disclose that some vehicles were instead fitted with batteries from Farasis Energy.

Authorities said the investigation was launched following an electric vehicle fire in an underground parking facility in Incheon in August 2024. The probe found that the vehicle involved in the incident used battery cells manufactured by Farasis Energy. According to commission data, around 3,000 vehicles containing Farasis batteries were sold between June 2023 and August 2024, generating approximately 281 billion won in sales.

The 11.2 billion won penalty, imposed by the competition regulator, represents about 4% of the relevant sales volume and is said to be the maximum fine allowable under the law. Officials said the fine will be paid jointly by Mercedes-Benz's headquarters in Germany and its South Korean unit. The regulator also said both entities will be referred to prosecutors for their roles in preparing and distributing sales guidelines.

Mercedes-Benz Korea said it respects the decision but does not agree with its conclusions and will pursue legal options. The company maintained that it had provided accurate information to both the public and its customers.

US and Tech Giants Sign Ratepayer Protection Pledge on Data Center Energy Costs

The United States (US) has reached a strategic agreement with major technology companies in response to rising electricity prices. Seven firms—Google, Meta, Microsoft, Amazon, Oracle, xAI and OpenAI—have signed a "Ratepayer Protection Pledge," committing to fully cover the energy costs of artificial intelligence data centers. The initiative aims to ease pressure on the power grid from large-scale data infrastructure and address public concerns over rising utility bills.

Under the agreement, the companies have pledged to build new power plants, acquire existing facilities, or reactivate idle plants to meet additional energy demand from their data centers. They have also committed to covering infrastructure development costs, working on new state-level tariff structures, and creating local jobs in the regions where facilities are located.

However, legal experts and energy analysts have raised concerns about the enforceability of the voluntary pledge. They point to the multi-layered nature of the US energy system—spanning federal authorities, grid operators and state regulators—and question how such a federal-level commitment will be translated into concrete rules by state Public Utility Commissions (PUC) and local regulatory bodies.

For the tech companies, the pledge is seen not only as a financial commitment but also as a response to growing public backlash over data center expansion across the country. If successfully implemented, the initiative could establish a new model in which private companies directly finance public energy infrastructure.

Google Restructures Android App Store Amid Global Regulatory Pressure

Google, a subsidiary of Alphabet, has announced sweeping changes to its Android app store and developer fee structure in response to mounting regulatory pressure in the United States (US) and Europe. Senior Google executive Sameer Samat said the measures go beyond legal requirements and in some cases exceed what is mandated under regulations in the European Union (EU) and the United Kingdom (UK).

Under the new system, other companies will be able to register with Google and, for a one-time fee, offer their own app stores on Android devices. Google will also significantly reduce its standard 30% commission, lowering it to 15% for subscriptions and, in some cases, as low as 10%. The changes are expected to take effect by June in the US, EU and UK, and by the end of 2026 in Australia, South Korea and Japan.

The move was welcomed by Epic Games, which has long been engaged in legal disputes with Google. Epic CEO Tim Sweeney said the new policies address the company's concerns about Fortnite's distribution on Android and could resolve ongoing litigation in the US, UK and Australia. According to Google, rival app stores will become easier to access on Android, while the Play Store's app catalogue will also be opened to third parties to increase competition.

Google is also introducing a new billing structure allowing developers to use payment systems other than its own. Developers opting for Google's billing system will pay a flat 5% fee, while others will be free to work with external payment providers.

Legality / World News

The changes come amid a wave of global antitrust scrutiny. In March 2025, the European Commission said Google had breached the Digital Markets Act, paving the way for potential penalties. EU regulators have fined the company more than €9.5 billion in total. In the UK, the Competition and Markets Authority designated Google with "Strategic Market Status" in mobile platforms, subjecting it to stricter rules.

In the US, a 2023 jury found that Google's Android policies violated antitrust law, forcing the company to abandon certain restrictive practices. A previous settlement between Google and Epic was criticized by Judge James Donato for limiting access to app catalogs for competitors. The changes are expected to address those concerns, though they still require final court approval before taking effect.

Italy Calls on EU to Suspend Emissions Trading System

Italy's Industry Minister Adolfo Urso has urged the European Union (EU) to suspend its Emissions Trading System (ETS), arguing that it is creating "distorted effects" and leaving European companies at a competitive disadvantage. Urso said high energy and carbon costs are weighing heavily on industry and called for a temporary suspension of the system while the bloc prepares an updated reform proposal.

The ETS is a key EU mechanism requiring companies to pay for their carbon emissions, with the dual aim of cutting emissions and steering industry toward sustainable investment. It currently covers heavy industry, power generation, aviation and maritime transport. The European Commission has proposed expanding its scope to include sectors such as international aviation, landfill sites and waste incineration.

Speaking at a meeting of EU industry ministers in Brussels, Urso said the ETS has effectively become a tax on energy-intensive companies and called for a comprehensive review of the system. He also pointed to challenges facing Europe's chemicals sector and what he described as a broader crisis in EU industrial policy, arguing that action should not wait for prolonged negotiations.

Italy's call aligns with broader industry demands for swift EU action to reduce energy and carbon costs. German Chancellor Friedrich Merz has expressed similar views, previously supporting a temporary easing of carbon market prices.

However, Nordic industry associations representing Finland, Sweden, Denmark and Norway sent a letter to European Commission President Ursula von der Leyen and EU Climate Commissioner Wopke Hoekstra backing the ETS. They described the system as a strategic tool for Europe and a key driver of clean technology investment, stressing that any reforms must be carefully designed. Nordic leaders said the ETS is critical to Europe's economic and environmental future. EU data show that emissions have fallen by 39% since the ETS was launched in 2005, while the system has generated more than €260 billion in revenue. However, economist Carlo Carraro warned that Italy's push to weaken the ETS risks undermining a proven policy. He argued that innovation and competitiveness are closely linked to decarbonization, and that suspending the system could ultimately make industry less competitive.

Chiara di Mambro, Italy and Europe Strategy Director at the climate think tank ECCO, also cautioned that suspending the ETS or subsidizing natural gas could increase energy prices and heighten market uncertainty. Instead, she suggested using fiscal revenues or dividends from energy companies to ease pressure on electricity bills. Italy, meanwhile, is preparing a broader overhaul of the electricity market aimed at removing carbon costs from consumer power bills.

News from Şengün

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News from Şengün

As part of his visit to Izmir, Attorney Nedim Korhan Şengün held a meeting with Partner Birgi Kuzumoğlu, Senior Associate Betül Önal Payze and Management Assistant Doruk Atabay. The meeting focused on a review of ongoing work in Izmir and the Aegean Region, as well as an exchange of views on regional objectives.

Nedim Korhan Şengün, Founder of Şengün & Partners Attorney Partnership, offered his insights into the legal and institutional landscape in Germany following a series of meetings in Düsseldorf as part of Şengün & Partners' European strategy.

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News from Şengün

Şengün & Partners Attorney Partnership held its annual General Assembly and Dinner Reception for the 2025–2026 period on 7 January 2026 at Conrad Istanbul Bosphorus, bringing together colleagues and guests.

The event began with opening remarks by the firm's founder, managing partner, partners, and guests, followed by presentations and evaluations delivered by team members at the General Assembly. Discussions focused on a review of the past year, current developments in Türkiye and globally and their impact on the sector, as well as the firm's roadmap and strategic priorities for 2026.

The program continued with a dinner reception hosted at the hotel's restaurant.

We look forward to a productive year ahead and thank all our colleagues and guests for joining us.

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Atty. Nedim Korhan Şengün, Founder of Şengün & Partners Attorney Partnership, addressed the legal and structural challenges arising at the intersection of transport modes in his speech before the Global Transport & Logistics Center (GTLC).

In this context, he highlighted the critical role of Ro-Ro transportation in sea–land integration, while also underscoring practices where rapid growth can strain the fundamental boundaries of competition law. He also emphasized that market foreclosure, discriminatory access and exclusionary practices are not sustainable for any mode of transport. In this regard, he noted that rail transport and the COTIF regime provide a vital legal framework that ensures predictability and balance. He stressed that the real solution lies not in seeking superiority among transport modes, but in building a legally compliant intermodal integration. Turning to air transport, he underlined the decisive role of contracts, particularly in passenger transport. He explained that jet fuel supply agreements secure operational continuity, while ticket sale agreements and conditions of carriage govern passenger liability and corporate reputation. In closing, he emphasized that sustainable logistics must be built on a foundation of balance and the rule of law.

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News from Şengün

Şengün & Partners has launched International Coordination to streamline and strengthen the management of its expanding cross-border work. As part of the new framework, Düsseldorf and Zurich have been designated as European Coordination Centers, with Marseille serving as the firm's initial point of institutional contact in Europe. For multi-jurisdictional matters elsewhere, London and Dubai have been selected as Global Coordination Centers. With meetings held by appointment, the structure is designed to support international collaborations, ensure the coordinated handling of cross-border matters with local counsel, and provide regular public updates on key developments.

As part of his visit to the office in Izmir, Founder Nedim Korhan Şengün met with Partner Birgi Kuzumoğlu, Senior Associate Betül Önal Payze and Executive Assistant Doruk Atabay. The meeting was followed by a dinner, where the participants conducted a general review of current issues and exchanged insights.

Şengün & Partners Attorney Partnership is advising a multinational automotive company in the collective bargaining process with the Turkish Metalworkers' Union at the company's facility in Manisa.

The firm's ongoing work includes reviewing the draft collective bargaining agreement, defining the negotiation strategy, and conducting a legal analysis of wages and fringe benefits.

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News from Şengün

We are acting as legal counsel in the inclusion of real estate assets with an approximate total value of TRY 7 billion into the portfolios of two separate Real Estate Investment Funds.

In the first phase, within the scope of a Project Real Estate Investment Fund with an asset size of TRY 2 billion, we have provided comprehensive legal advisory services in relation to drafting the fund's internal regulations and issuance documentation, structuring the legal framework of the fund's portfolio composition, designing the investor framework, managing regulatory applications and compliance processes under capital markets legislation.

In the ongoing phase, we continue to advise on the inclusion of approximately TRY 5 billion worth of real estate assets into the existing Real Estate Investment Fund portfolio and on the portfolio's subsequent expansion.

Şengün & Partners Attorney Partnership is pleased to announce the addition of three new associates to its legal team: Ayça Buse Kendir, Kübra Zeren and Elif Bengü Aydın. We warmly welcome them and look forward to the contributions they will bring to our practice.

In connection with a large-scale construction project in Stuttgart, Şengün & Partners Attorney Partnership delivered multi-jurisdictional legal advisory across Turkish and German law, focusing on construction contracts and purchase & sale agreements involving counterparties in Türkiye and Germany.

Throughout the process, the firm conducted a comparative analysis of contractual structures under Turkish and German law, structured governing law and jurisdiction clauses, designed risk allocation and liability frameworks, and assessed the legal aspects of cross-border procurement and payment mechanisms.

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News from Şengün

Şengün & Partners Attorney Partnership advised a leading Turkish paper manufacturer and exporter during its collective bargaining negotiations with the trade union Selüloz-İş. The firm's support included assessing the legal and financial implications of the draft collective agreement, analyzing wage and fringe benefit structures from a sustainability perspective, structuring the negotiation strategy, and establishing a preventive legal framework to mitigate potential disputes.

Şengün & Partners Attorney Partnership has launched its Corporate Crime & Compliance Platform, bringing together its corporate risk management, compliance, and criminal law practices under a single, integrated structure. Commenting on the launch, Founder Nedim Korhan Şengün noted that legal services must move beyond dispute resolution toward a forward-looking model that anticipates risks and prepares institutions for the future. The platform unifies the firm's RURM – Risk, Compliance and Regulation Center, SRY – Fraud Risk Management, and CCRA – Corporate Crime Risk Advisory practices under a single roof.

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Şengün & Partners Attorney Partnership has embraced a more integrated approach to legal advisory services, shaped by strategic thinking, corporate governance, and risk management, with a focus on the needs of businesses. Within this framework, its work spans a broad range of areas, from corporate structuring and intergenerational succession in family businesses to alternative dispute resolution mechanisms, while also supporting independent platforms such as TSAM (Arbitration, Conciliation and Mediation Center) in the field of arbitration and mediation. Through the Business World and Law Association, the firm seeks to strengthen engagement between the legal and business communities, while expanding its international outlook via CCS Law House and LCS Fields, where it collaborates with legal professionals across different jurisdictions to broaden comparative law perspectives. All these initiatives are grounded in the understanding that law is not merely a technical discipline, but an integral part of strategic decision-making processes.

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News from Şengün

Nedim Korhan Şengün, Founder of Şengün & Partners Attorney Partnership, attended LET Expo 2026 in Verona, a leading international event in the transport and logistics industry, where he closely followed the latest industry developments.

During the fair, he held a series of meetings with companies and sector representatives, exchanging insights on emerging trends in international transport and logistics, with a particular focus on intermodal transport, Ro-Ro operations, and regional logistics networks.

He also visited the booth of Turkroro, where he met with Fuat Pamukçu, Reyya Gürkan and Nezih Tunalı to discuss the current state of the sector and regional transport corridors, alongside further engagements with a range of industry players throughout the event.

He continued his program on 12 March and concluded his visit in Milan on 13 March, where he completed his final round of meetings.

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We are pleased to announce that Maëva Viricel has joined Şengün & Partners Attorney Partnership (Izmir) as a legal intern. She will be working on white-collar crimes, data law, and labor law under the supervision of Partner Birgi Kuzumoğlu. We are delighted to welcome her and look forward to her contributions.

During an inquiry into contractual language requirements in Slovenia, the AI-powered search engine Perplexity cited Şengün Hukuk Yayınları as a source.

We are pleased to see our publications contributing to international legal research.

Şengün Academy Highlights

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Şengün Academy Highlights

Şengün Academy is a Global Knowledge Center.

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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

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Şengün Institute Highlights

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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.

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