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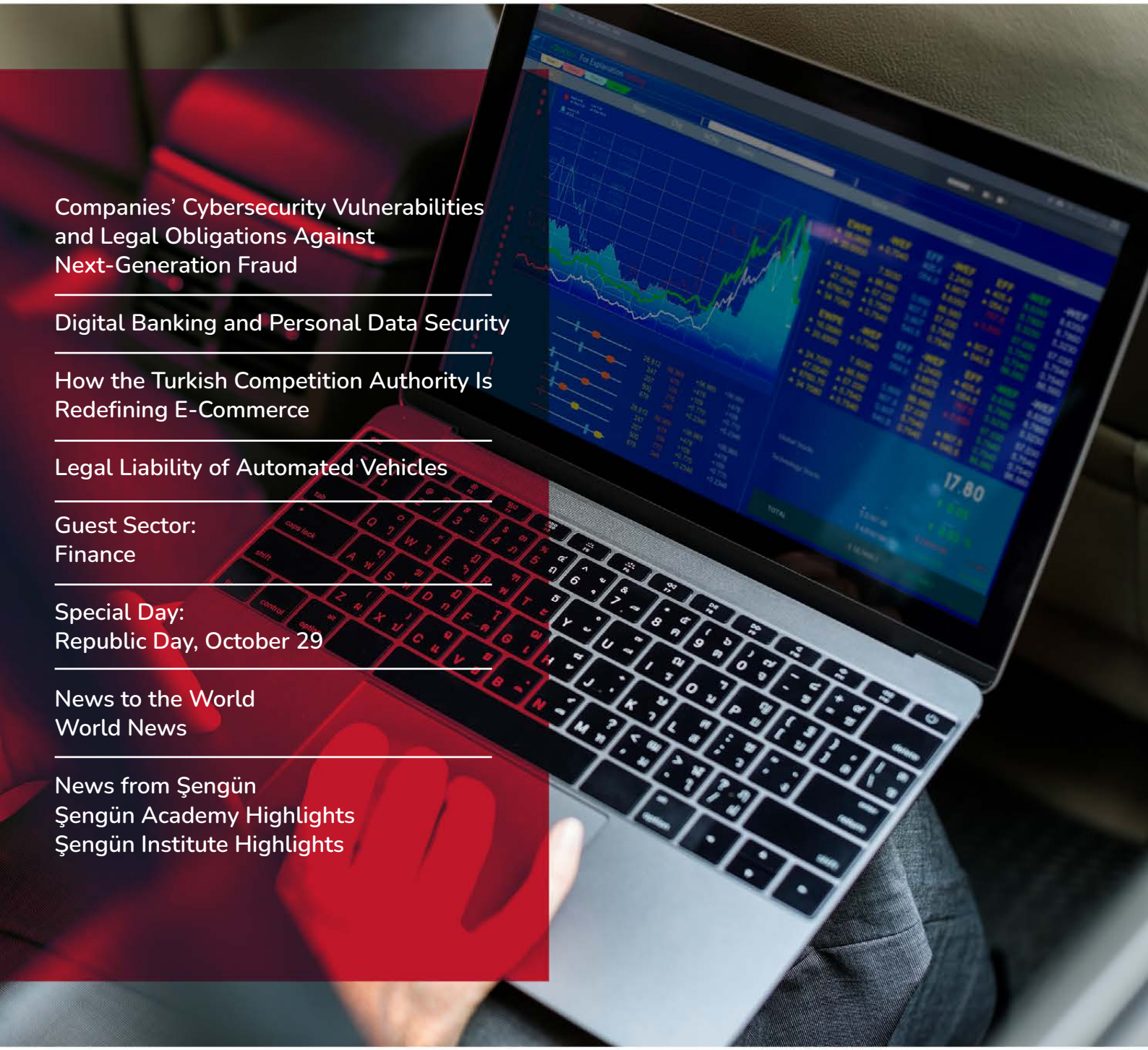
Q4 2025 | E-Bulletin



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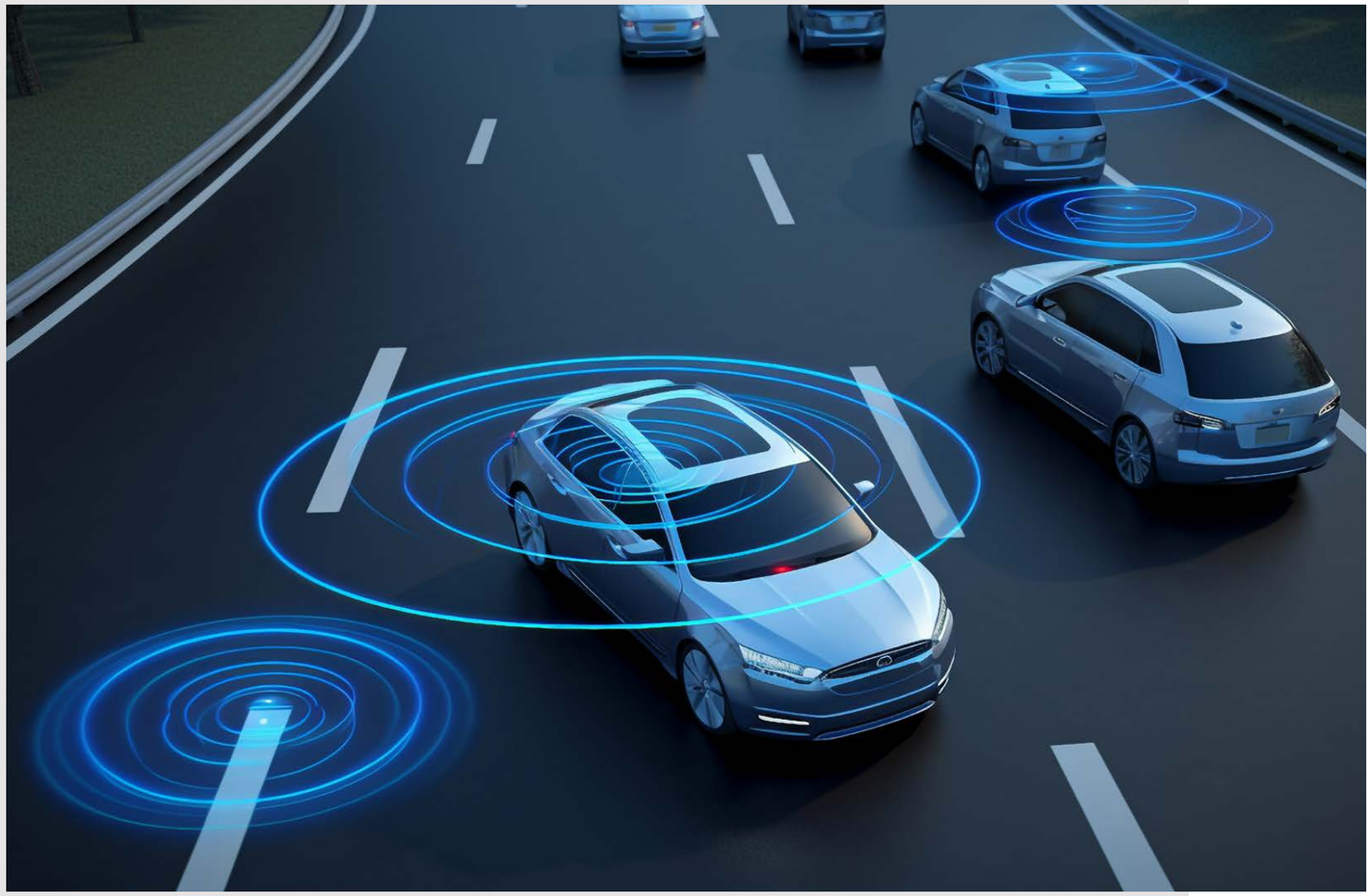

Fourth Quarter 2025

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Editor’s Note

Dear Reader,

Şengün Group is delighted to present the latest issue of its newsletter that covers the latest local and global developments. With this edition, we are moving to a quarterly publishing schedule, reflecting a more strategic and focused approach to our content. In this new format, we examine the defining themes of each quarter through a cohesive, in-depth lens, offering a holistic and analytical perspective.

Our articles comprise of “Companies’ Cybersecurity Vulnerabilities and Legal Obligations Against Next-Generation Fraud”, “Digital Banking and Personal Data Security”, “How the Turkish Competition Authority Is Redefining E-Commerce”, and “Legal Liability of Automated Vehicles”.

This month’s featured sector highlights the transformation of the financial sector.

Our article on Republic Day, October 29, explores the history and cultural significance of the proclamation of the Turkish Republic.

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

Enjoy reading!

Istanbul, Fourth Quarter 2025
Şengün Group

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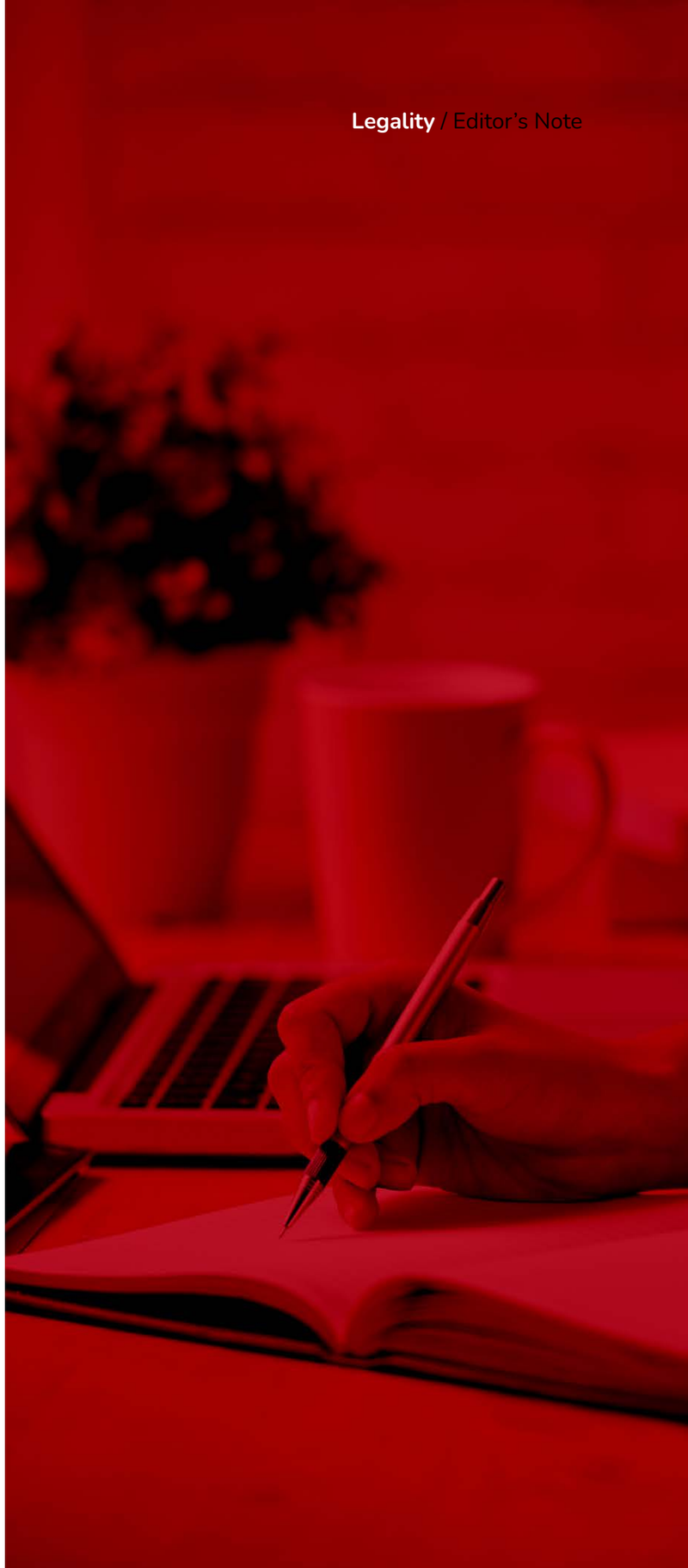

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Article

Companies' Cybersecurity Vulnerabilities and Legal Obligations Against Next-Generation Fraud

Technology and digitalization have reshaped the activities and business practices of companies, restructuring all internal units such as production, marketing, advertising, sales, transportation, and communication. Although this has led to significant progress in companies, it has also introduced new risks, including digital risks.

In recent years, the number and sophistication of cyberattacks have increased significantly in Türkiye and worldwide. Ransomware, phishing attempts, payment-instruction fraud carried out through compromised business email accounts, and AI-assisted identity impersonation (deepfake) have reached levels that directly threaten companies' financial and operational security. These cyberattacks not only cause economic losses but also lead to consequences such as the theft of personal data and commercial reputational damage.

In this context, the need for comprehensive regulation on cybersecurity has also emerged in Türkiye, and accordingly, the **Cybersecurity Law No. 7545** entered into force following its publication in the Official Gazette on 19.03.2025. The Law aims to detect, prevent, and mitigate the effects of existing and potential cyberattacks and establish institutional structures and obligations to protect public institutions and organizations, professional bodies with public-institution status, and natural and legal persons against cyber threats.

A. Cybersecurity Vulnerabilities and Risk Types

Cybersecurity vulnerabilities may arise due to inadequate security policies, human errors, or deficiencies originating from service providers. When malicious actors exploit these vulnerabilities, companies may suffer economic losses and face legal liabilities.

Outdated software, weak passwords, insufficient authentication, inadequate network security, failure to keep or analyze log records, employee mistakes and uninformed actions, and insufficient oversight of outsourced services are the most common risks encountered in companies' information systems.

In addition, the advancement of digitalization has diversified cyberattack techniques. Accessing employee account information through fraudulent emails and websites, compromising business email accounts to issue fake payment instructions, locking systems, and encrypting data in exchange for ransom are among the most common next-generation fraud methods.

B. Legal Obligations of Companies Against Next-Generation Fraud

With the rapid advancement of technological developments and the resulting diversification of cyberattacks, companies must adopt not only technical measures but also legal measures. In this context, Cybersecurity Law No. 7545, Personal Data Protection Law No. 6698 (“KVKK”), and the relevant secondary regulations impose multidimensional cybersecurity obligations on companies. Non-compliance with these obligations results in both administrative and criminal liability.

Companies must first conduct regular risk analyses to identify existing and potential future threats and risks related to their IT infrastructure and systems. Based on the results of these analyses, they must establish security policies against internal and external threats. Preparing security policies and procedures in writing and clearly defining rules on access management, authorization, encryption, log retention, and network security constitute fundamental obligations under the KVKK and the Cybersecurity Law. In addition, communicating these policies and procedures to employees to ensure their implementation is important for administrative compliance.

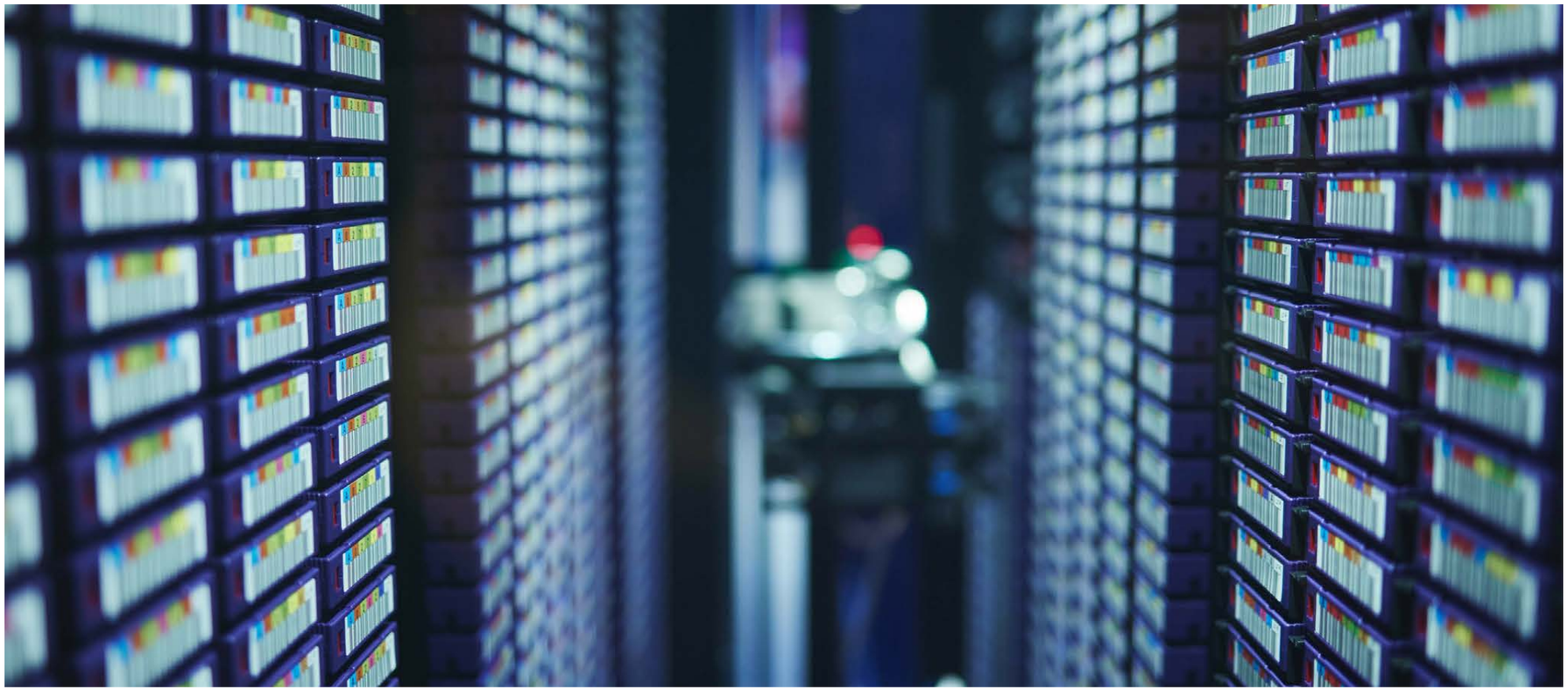
Companies must also establish an organization to form a cyber incident response team, conduct penetration tests at regular intervals, immediately remediate any detected vulnerabilities, and retain incident-related records for specified periods. If a data breach occurs as a result of a cyberattack targeting systems where personal data is processed, the Personal Data Protection Board should be notified within 72 hours. Failure to notify or delayed notification may result in significant administrative fines.

C. Conclusion

The rapid advancement of technology increases cybersecurity threats day by day. As a result, all operational processes and digital infrastructure of companies become targets of attacks. Therefore, companies must treat cybersecurity policies not merely as a technical matter but as a core component of corporate risk management and legal compliance.

Cybersecurity Law No. 7545, the KVKK, and the related secondary regulations impose comprehensive technical and administrative obligations on companies. In this context, companies are required to conduct risk analyses concerning cyberattacks and risks, establish their security policies and procedures, retain log records, submit notifications in case of a breach, carry out employee awareness activities and prepare action plans for situations where risks materialize.

Betül Önal Payze, Senior Associate



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Digital Banking and Personal Data Security

Types of Personal Data Processed for Banking Services

Banking and financial services occupy a uniquely sensitive and strategic position within the modern economic structure in terms of processing personal data. Given the daily volume of millions of transactions, continuous customer interaction, and constant data flow, these industries collect and process not only financial data but also a wide range of personal data such as identity information, contact details, transaction history, risk profiles, credit information, and location data. This makes the protection of personal data a strategic priority not only for regulatory compliance but also for maintaining customer trust, safeguarding corporate reputation, and ensuring sustainable cybersecurity.

Today, banking services have moved far beyond traditional branch banking, with services delivered predominantly through digital channels. This transformation has made data-processing activities more complex and diverse. Data collected through various touchpoints, such as mobile banking applications, internet banking platforms, ATMs, POS devices and call centers, constitutes the core of banks' operational processes. Each touchpoint collects different types of data to improve customer experience and enhance service quality, and this data is processed for various purposes.

Banks generally classify the personal data they process as special category or highly sensitive financial data. Core identity information such as TCKN, passport numbers, driver's license details, and address registry data; financial information such as account movements, credit scores, income data, debt status, and asset portfolios; behavioral data such as digital banking usage patterns, transaction frequency, preferred channels, and location data; biometric data such as fingerprints, facial recognition, iris scans, and voice recordings; and risk and intelligence data collected under the Financial Crimes Investigation Board (MASAK) obligations constitute the main categories of processed data. Most of this data carries a sensitivity level close to that of special category data under the Personal Data Protection Law (KVKK) and is also considered high-risk data under the EU General Data Protection Regulation (GDPR).

The Necessity and the Legal Framework for Data Processing in Banking Services

In banking activities, processing personal data is often a legal obligation and an essential component of how the sector operates. Regulations such as the Anti-Money Laundering Law and the Banking Law require banks to know their customers, verify their identities, and detect suspicious transactions. Know Your Customer (KYC) obligations therefore play a critical role. Banks must perform comprehensive identity verification and risk assessment before entering into a relationship with a customer. This process not only verifies the customer's identity but also evaluates the customer's financial profile, transaction history, and potential risks.

Carrying out financial transactions is another area where personal data is processed intensively. Each daily operation, such as wire transfers, EFT transactions, payment transactions, credit card transactions, investment transactions and foreign exchange transactions, requires the collection and processing of different types of personal data. In credit assessment and allocation processes, banks analyze detailed financial data such as a customer's income, spending habits, existing debt burden, payment history, and

collateral information. As part of risk management and security controls, banks also aim to detect transaction anomalies, suspicious movements, and potential fraud attempts.

The expansion of digital banking services and the development of mobile technologies have transformed the processing of personal data. Mobile banking authentications, multi-factor authentication systems, biometric security measures, and real-time fraud detection algorithms have become indispensable elements of modern banking. Customers can now carry out banking transactions from anywhere at any time, and this convenience increases the need for security. Banks continuously analyze transaction patterns, try to detect unusual behavior and apply additional verification steps in suspicious situations to ensure account security.

KVKK Obligations and Data Security

Marketing and customer relationship management also constitute a significant part of banks' personal data processing activities. Banks analyze customer behavior in detail to personalize product offers, conduct customer segmentation, manage campaigns, and implement cross-selling strategies. However, for such processing activities, obtaining explicit consent is mandatory under the KVKK, and customers have the right to refuse marketing communications or withdraw their consent later. Banks must observe the principle of data minimization when conducting marketing activities and process only the data necessary for the purpose.

Data processing activities in the banking sector are strictly governed by both national and international regulations, and compliance with these regulations is critically important. The principle of compliance with the law and rules of honesty requires data-processing activities to be clear, transparent, and proportionate. Banks must fully comply with the legal framework and uphold customer rights and ethical values when designing and implementing their data-processing processes. The principle of data minimization emphasizes that data should not be collected beyond the purpose of processing and that existing data should be used only for clearly defined purposes. This principle is especially critical for the financial sector because the nature of the sector tends to encourage extensive data collection, which can lead to unnecessary data accumulation and increased potential risks.

Transparency and the obligation to inform are among the cornerstones of modern data protection regulations. Banks must provide customers with comprehensive and clear information regarding the types of personal data processed, the purposes of their collection and use, the third-party recipients, the applicable retention periods, and the rights afforded to customers.

For data security, banks must maintain cybersecurity measures at the highest level. Encryption technologies, tokenization, access control, data masking, and regular penetration testing form the foundation of banks' security infrastructure. Cyberattacks may lead to serious outcomes such as data leaks, identity theft, account takeover, fraud, and reputational damage.

Data Transfer and the Impact of Digital Technologies

Banks hold the status of a data controller within the scope of the KVKK, and this status entails significant responsibilities. Data may be shared with public authorities such as MASAK, the Banking Regulation and Supervision Agency (BRSA), and Tax Offices, as well as with credit bureaus such as KKB and Findeks. Data may also be transferred to service providers and technology companies.

During these transfers, the implementation of confidentiality agreements, data processor commitments, and secure transfer protocols is mandatory. The strict rules provided in the KVKK apply during international data transfers, which may require explicit consent or approval of the Board.

With the acceleration of digital transformation, artificial intelligence, machine learning, and open banking models have deepened data processing practices in the financial sector. Algorithms are used in credit evaluations, and customer data is disclosed to third parties through API-based open banking systems with customer consent.

Öykü Gülsen, Executive Associate

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How the Turkish Competition Authority Is Redefining E-Commerce

Over the past decade, e-commerce has risen to become one of the primary engines of growth and change in Türkiye's economy. Accelerated further by the pandemic, this growth has led to complex competition issues. As such, the Turkish Competition Authority ("Authority") has restructured its approach to this dynamic market and now acts with the precision the digital economy requires.

The platforms' multilateral business models, the strategic importance of large data sets, the decisive role of algorithms in decision-making mechanisms, and the power imbalance between sellers and platforms have pushed the Authority beyond a sole focus on traditional competition law infringements. The Authority now intervenes in the sector's structural problems as well, assuming a regulatory role to ensure the healthy functioning of the e-commerce ecosystem.

Pricing Freedom and Supplier Interventions

In the e-commerce market, price transparency offers both a major advantage and a significant risk factor. While consumers can compare prices across platforms with a few clicks, suppliers can just as easily monitor their dealers' prices. This situation results in some suppliers attempting to control online prices.

The Authority's approach is clear: suppliers' direct or indirect, persistent interference with dealers' resale prices constitutes a violation. Therefore, the Authority closely monitors the following actions:

Direct Price Instructions ("RPM"): When suppliers impose certain price levels on sellers or set price ranges, the practice violates competition law. Justifications such as preserving brand image, ensuring price stability, or achieving market positioning do not legitimize such interventions. In its decision no. 25-23/577-373 of 26.06.2025, the Board stated: "*Considering the application of our country's competition law, many cases concerning RPM have shown that RPM is restrictive of competition by object. In other words, under the Board's aforementioned decisions, the supplier's determination of resale prices is deemed a restriction of competition by object, regardless of any market effects.*" The Board therefore emphasized that resale price maintenance infringes competition law by its very nature, regardless of its market impact. It follows that such practices cannot qualify for an exemption under Article 5 of Law No. 4054.

Conditional Supply Relationships: Practices that make product supply dependent on price compliance restrict competition.

Monitoring and Communication Channels: Modern technology allows suppliers to track their dealers' prices in real time. However, when such monitoring turns into price pressure through WhatsApp groups, phone calls, or field visits, it becomes one of the issues the Authority scrutinizes closely.

These developments require all actors in the supply chain to review their communication protocols, contracts, and daily operational practices.

Platform Neutrality

Algorithmic Discrimination: Algorithmic discrimination occurs when the algorithms that e-commerce platforms use for decisions such as search, ranking, pricing, recommendation, and visibility place certain sellers or products at a disadvantage without objective and legitimate justification. In its decision no. 25-24/594-376 of 03.07.2025, the Board explained how to assess whether discriminatory conduct by a dominant undertaking restricts competition, stating:

"...Under Article 6(b) of Law No. 4054, assuming the undertaking holds a dominant position, the assessment of whether discriminatory abusive conduct restricts competition must consider:

- *Whether the buyers are in an equivalent position,*
- *Whether different conditions are imposed on buyers for the same and equivalent rights, obligations, and performances,*
- *Whether the buyer or buyers subjected to discrimination are placed at a competitive disadvantage,*
- *Whether the conduct might distort the competitive environment in the market,*
- *Whether there is a legitimate justification.*

In assessing whether buyers are in an equivalent position, the key considerations are the nature of their commercial relationships with the dominant undertaking, their roles in the supply chain, and the similarity of their rights and obligations. When determining if buyers are treated equally in terms of rights, obligations, and performances, one should consider whether the goods or services are physically or functionally similar and whether the transactions are commercially comparable. When assessing whether different conditions apply to the same rights, obligations, and performances, the dominant undertaking's conditions must be reviewed to determine if they create advantages or disadvantages among buyers. When assessing whether the buyer or buyers subjected to discrimination are placed at a competitive disadvantage, the analysis looks for elements such as the dominant undertaking being an indispensable commercial partner, the emergence of divergent practices as a result of that undertaking's conduct, the material significance and duration of the divergence, and whether the goods or services subject to different treatment account for a large share of the customer's costs. Finally, in evaluating legitimate justification, the analysis should consider whether the conduct serves a valid interest, whether it is necessary to achieve that purpose, and whether it imposes unnecessary restrictions on competition."

The Board does not base this assessment solely on the "object" element; in addition to the object, it also considers the outcome of "creating a competitive disadvantage." Indeed, in its decision no. 15-34/513-161 of 01.09.2015 concerning TÜYAP, the Board stated:

"When evaluating whether the three conditions are met, the Board first determined that attending the agricultural fair organized by TÜYAP was not essential for the applicants' commercial activities. Although trade fairs offer significant promotional opportunities for the participants, their activities consist not only of the sales made during the limited period of the fair but also of the sales made throughout the year, either by themselves or through their dealers. Therefore, since the trade fair services provided by TÜYAP or by undertakings organizing other fairs are not indispensable for these undertakings' activities, their impact on competition in the downstream market will not be significant." Thus, the Board decided not to open an investigation since there was no competitive disadvantage.

Self-Preferencing: E-commerce platforms present a unique contradiction, operating both a marketplace for independent sellers and their own private labels. This dual role raises important questions about platform neutrality. A platform prioritizing its own brand in the search results is the most basic example of self-preferencing. While consumers may believe they are seeing objective and quality-based results, they may be seeing a ranking that serves the platform's commercial interests. The Authority expects search algorithms to use transparent criteria and to apply them equally to all sellers.

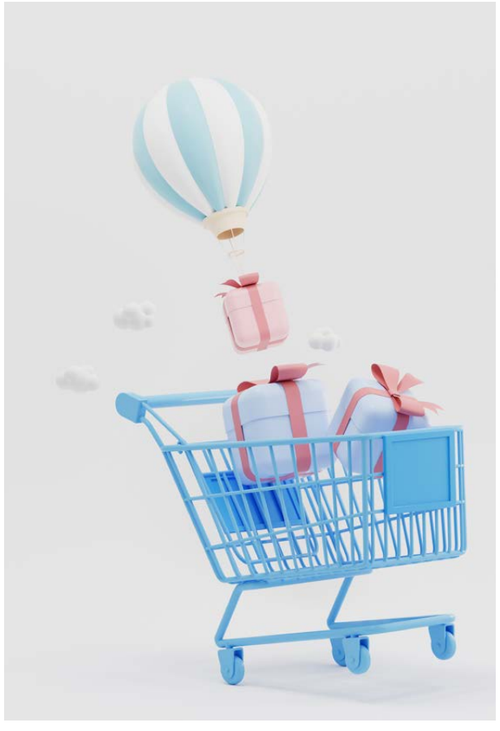
Data Advantage: Platforms can access sellers' performance data, consumer behavior, and market trends. Using this information in their own product development processes can give them an unfair advantage over competing sellers. A platform that can identify popular products, effective price ranges, and gaps in product categories can leverage this insight strategically for its own private-label brand.

In its decision no. 23-33/633-213 of 26.07.2023, the Board found that Trendyol intervened in the algorithm and used the data of third-party sellers operating on the marketplace to unfairly benefit its own retail operations. It held that these actions hindered competitors' activities and violated Article 6 of Law No. 4054. Accordingly, the Board determined that Trendyol held a dominant position in the multi-category e-marketplace and imposed an administrative fine on Trendyol for abusing its dominant position by favoring its own retail business.

The Authority requires platforms to make their algorithms transparent, to disclose their ranking criteria, and to demonstrate that they treat all sellers equally. These expectations reshape platforms' operational processes and decision-making mechanisms.

Limits of Contractual Freedom

The relationship between e-commerce platforms and sellers rests on a significant power asymmetry. As platforms strengthen their market power, sellers may feel compelled to accept the conditions imposed by them. The Authority therefore keeps a close watch on the problems stemming from this power imbalance.



Unilateral Amendment Rights: Platforms may reserve the right to unilaterally change commission rates, service fees, or other commercial terms in their contracts. As the platform grows and sellers become dependent on it, the use of this power becomes increasingly problematic.

Broad Termination and Suspension Rights: Platform agreements often include broadly defined termination and account suspension clauses. Vague expressions such as "violation of platform policies" can give platforms almost unlimited discretion. The sudden removal of a seller from the platform or the freezing of their account can have devastating consequences, especially for those who earn most of their income through that platform.

Most Favored Customer (MFC) Clauses: Some platforms may require sellers to commit not to offer their products at lower prices on other platforms. These "best price guarantees" or "price parity" clauses can prevent sellers from competing through other channels and may also weaken competition between platforms. The Authority may view MFC conditions imposed by platforms with significant market shares as restrictions of competition. Still, MFC clauses do not inherently have negative competitive effects.

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Indeed, the Guidelines on Vertical Agreements state:

"The use of most favored customer (MFC) clauses does not always produce the same outcomes in market competition. While these clauses may have pro-competitive effects, they may also generate anti-competitive consequences. Therefore, competition law assessments of MFC clauses must examine in detail the position of the party benefiting from the clause and that of its competitors in the market, the purpose for which the clause was included in the agreement, and the specific characteristics of the market and the clause itself. Moreover, as a general principle, an agreement containing an MFC clause may benefit from the block exemption if the market share of the party benefiting from the clause does not exceed 40% and the other conditions set out in the Communiqué are met."
In this framework, the Authority expects contracts to be fair, balanced, and transparent. As such, platforms with significant market shares are expected not to restrict sellers' ability to compete through other channels, to provide reasonable termination rights, and to base their commercial terms on objective rather than arbitrary criteria.

A New Era of Corporate Responsibility

The Authority's increasing focus on the e-commerce market forces undertakings to prioritize competition law compliance.

Comprehensive Risk Assessment: The first step for companies should be to analyze their business models and operations from a competition law perspective. Pricing mechanisms, data usage practices, algorithm design, seller agreements and platform policies must all be reviewed in detail. Potential risk areas should be identified and prioritized.

Policy and Procedure Development: For the identified risks, clear and practical policies should be established. Documentation such as pricing autonomy policies, data usage rules, algorithm governance procedures and seller-relations guidelines can serve as guidance for employees. These policies should not remain theoretical but must be integrated into daily operations.

Organizational Training and Awareness: The success of a compliance program depends on all employees understanding the principles of competition law. Sales, marketing, product management and data analytics teams must receive regular training. The training should focus on practical scenarios and real cases rather than purely theoretical knowledge.

Algorithmic Auditing and Transparency: Platforms must ensure that their algorithms operate in compliance with competition law. Therefore, algorithms' decision logic, key variables and testing methods should be fully documented. In addition, regular algorithmic audits should be performed to identify and correct unintended effects or biases.

Continuous Monitoring and Improvement: A compliance program is not a static framework but an evolving process. The program must be updated in line with the Authority's recent decisions, sectoral developments, and internal company dynamics. Tracking compliance indicators, monitoring infringement risks, and conducting periodic audits will enhance the program's effectiveness.

Complaint Mechanisms: It is important to establish secure channels through which internal and external stakeholders can report concerns regarding potential competition law violations. Such feedback can help identify potential issues at an early stage.

Navigating New Responsibilities in E-Commerce

The Authority's approach to e-commerce has moved far beyond traditional competition law enforcement. In addition to being an institution that identifies and penalizes infringements, the Authority now acts as a regulatory force that influences the sector's healthy development, sets the rules of the game and transforms business models. This shift brings new responsibilities for all actors within the ecosystem. Platforms must now internalize their transparency and neutrality obligations. Sellers and suppliers must revisit their communication protocols while preserving their pricing autonomy. Meanwhile, technology teams must ensure that algorithms operate in full compliance with competition law.

In conclusion, competition law compliance has become a prerequisite for operating in the e-commerce market. This is not only a legal requirement, but also a strategic investment in long-term commercial sustainability, corporate reputation, and market credibility. Companies that follow the Authority's decisions, manage risks proactively, and embrace a culture of compliance will not only protect themselves

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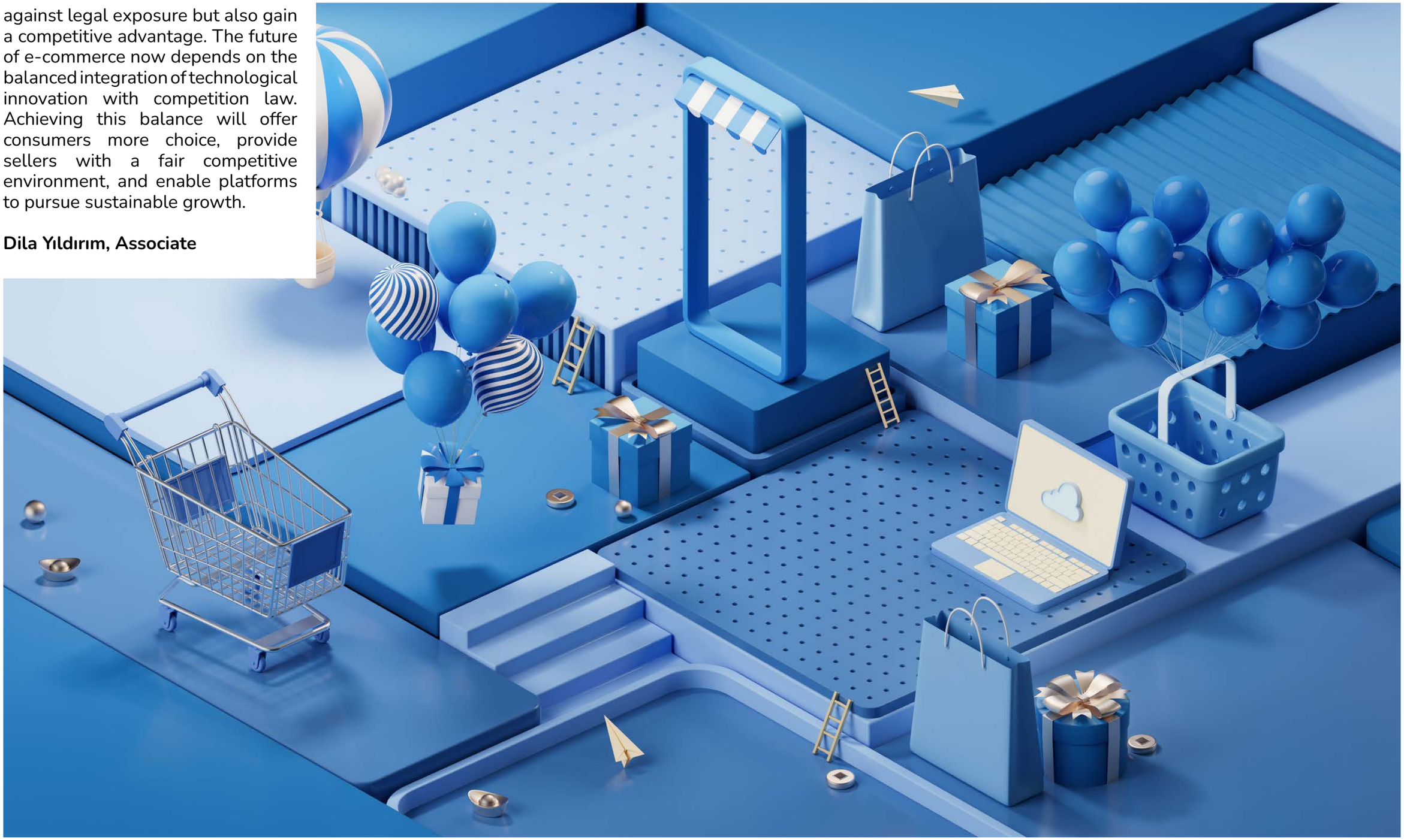
against legal exposure but also gain a competitive advantage. The future of e-commerce now depends on the balanced integration of technological innovation with competition law. Achieving this balance will offer consumers more choice, provide sellers with a fair competitive environment, and enable platforms to pursue sustainable growth.

Dila Yıldırım, Associate



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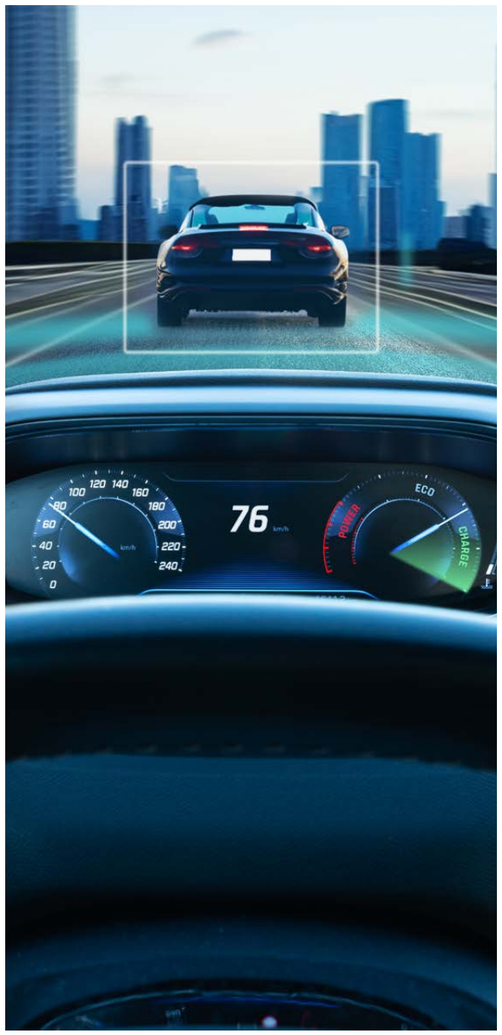
Legal Liability of Automated Vehicles



1. Automated Vehicles

Automated vehicles refer to vehicles, robots, or machines equipped with artificial intelligence technology and machine learning capabilities. As a rule, they can make decisions without any external intervention. Currently, some examples of automated vehicles are unmanned aerial vehicles, self-driving cars, and autonomous underwater vehicles. What sets automated driving apart from earlier technologies is the full transfer of vehicle control from the driver to the system, as well as the vehicle's ability to learn within certain limits through machine learning.

Automated vehicles, including self-driving cars, feature different categories. In fact, the Society of Automotive Engineers ("SAE") has established six globally accepted automation levels and, based on these, has classified fully automated and semi-automated vehicles, even if these categories are not legally binding. This categorization has gained international recognition. In short, the SAE scheme distinguishes between the automation levels from Level 0 to Level 5 based on the degree of human intervention during driving. Accordingly, Level 0 contains no driving automation, while Level 5 is regarded as full driving automation.

In Türkiye, automated vehicles are defined under Regulation EU/2019/2144 on type-approval requirements for motor vehicles and their trailers, and systems, components and separate technical units intended for such vehicles, as regards their general safety and the protection of vehicle occupants and vulnerable road users ("Regulation"). Under Article 3(1)(t) of the Regulation, an automated vehicle means a motor vehicle designed and constructed to move autonomously for certain periods of time without continuous driver supervision but in respect of which driver intervention is still expected or required. Article 3(1)(z) of the Regulation also defines fully automated vehicle as a motor vehicle that has been designed and constructed to move autonomously without any driver supervision. These definitions are based on General Safety Regulation (EU) 2019/2144 but differ from the SAE categorization to some extent because they do not classify different levels of automation.

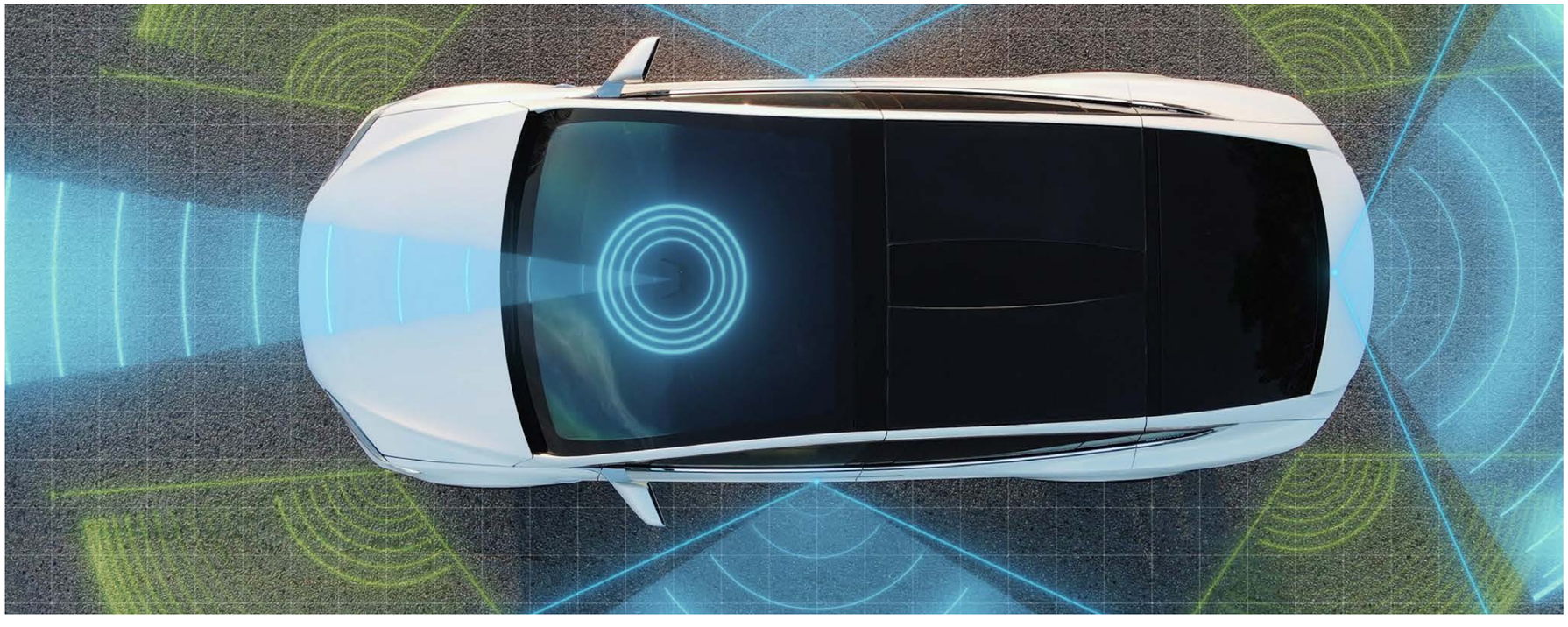
2. Regulations on Automated Vehicles in the United States and the United Kingdom

Automated vehicles are becoming increasingly common in road traffic worldwide, attracting many drivers in recent years. This trend raises several questions as to the legal regulations applicable to automated vehicles, the jurisdictions that have introduced such rules, and the specific areas of law to which these regulations relate.

- In the United States, a significant number of states have enacted regulations specifically addressing automated vehicles. Nevada adopted its automated vehicle law as early as 2011, while Tennessee introduced various regulations to promote the use of automated vehicles. At present, more than twenty states, including Florida, Kansas, Kentucky, Texas, Iowa, Georgia, and New York, have enacted regulations governing the use of automated vehicles. Under the legal regime in the United

States, liability for traffic accidents is assessed within the framework established by the relevant state law and by the courts. Therefore, the determination of liability in traffic accidents may vary depending on the laws of each state. For example, in the Herzberg incident, recorded as the first fatal automated vehicle accident in the United States, investigators questioned both the failure of the artificial intelligence system in Uber's automated test vehicle in Arizona, which struck and killed Elaine Herzberg as she was crossing the road, and the failure of the safety driver to respond appropriately.

- In the United Kingdom, the principal legislation concerning automated vehicles is the Automated and Electric Vehicles Act (the "Act"). Under the Act, an automated vehicle is defined as a self-driving vehicle, and liability for accidents is likewise governed by the Act. Unlike the assessment under Turkish law discussed below, in the United Kingdom, where an accident involving an automated vehicle occurs, the aim is to ensure that the consequences arising from the accident are resolved promptly and effectively. Therefore, if an accident is caused by an insured automated vehicle and an insured person or



any other individual suffers damage, the Act provides that such damage shall be compensated by the insurer. However, once the injured parties have been compensated, the insurer retains the right of recourse against the parties at fault.

3. Regulations and Legal Liability for Automated Vehicles in Türkiye

Although Türkiye is expected to introduce comprehensive regulations on automated vehicles over time, the current legal framework assesses liability mainly under the relevant provisions of the Road Traffic Law ("KTK"), the Turkish Code of Obligations ("TBK"), and other applicable legislation. While a draft study on legal liability is underway and is expected to introduce direct rules on liability, no new legislation has yet entered into force. Accordingly, the assessment below is based on the existing legal framework.

a. Liability Assessment Under the KTK

i. Vehicle Operator's Liability

Article 3 of the KTK ("Definitions") defines both "vehicle" and "traffic accident." Accordingly, a vehicle is any motorized, non-motorized, or special-purpose transport used on highways, including construction machinery and wheeled tractors. A traffic accident is an incident on a highway involving one or more moving vehicles that results in death, injury, or damage. Although the KTK does not yet contain a separate definition for automated vehicles, they fall within the definition of "vehicle" because they are motorized.

Article 85/1 of the KTK regulates the operator's liability. It states: *"If the operation of a motor vehicle causes the death or injury of a person, or damage to property, and the vehicle operates under the name or trade name of an enterprise, or with tickets issued by that enterprise, the vehicle*

operator and the enterprise owner are jointly and severally liable for the resulting damages." This rule means strict liability for the operator and bases it on danger liability. Therefore, the operator's or the enterprise owner's degree of fault or even the existence of fault has no relevance to liability.

Under Turkish/Swiss law, danger liability for vehicle operators is based on the "machine technique" principle. Accordingly, the operation and use of a vehicle's mechanical components constitute the core danger arising from the vehicle's use. Liability therefore covers traffic accidents caused by risks inherent in the mechanical system that moves the vehicle. Within this framework, neither Türkiye's statutory definitions of "automated vehicle" or "fully automated vehicle" nor the internationally accepted SAE levels create any distinction regarding liability. Regardless of whether the vehicle is fully or partially automated, any mechanical or technical malfunction and the resulting damages trigger operator liability under this rule. In automated driving, the mechanical components operate in every scenario; thus, an accident caused by artificial intelligence, sensors, or radar systems is treated as the realization of the inherent danger.

However, under Article 86 of the KTK, if the operator proves that the accident resulted from force majeure or the gross fault of the injured party or a third party, the causal link between the automated vehicle and the damage will no longer be present, and the operator will no longer be liable. The wording of this provision also makes clear that "a defect in the vehicle" does not eliminate liability. Therefore, purely mechanical or technical failures or defects in an automated vehicle do not affect the operator's liability.

ii. Driver's Liability

Article 3 of the KTK defines a driver as the person who steers and controls a motorized or non-motorized vehicle on a highway. However, the KTK does not yet define who qualifies as a "driver" in the context of automated vehicles. Given the structure and technology of automated driving, control does not always rest with a human driver. Depending on the level of automation, the vehicle may manage a substantial part of the driving task on its own.

Germany amended its legislation in 2017 and explicitly provided that the individual inside an automated vehicle is still considered the driver. Although the KTK does not yet contain a similar rule, Turkish scholarship generally takes the view that the person who activates or deactivates the automated system qualifies as the driver and therefore performs the act of steering and control. Under Turkish law, the driver is subject to fault-based liability under Articles 49 et seq. of the TBK. Accordingly, the driver must compensate for damages caused by a wrongful and negligent act. If the driver is not at fault, there is no liability.

Scholars widely argue that the driver's fault should be assessed in light of the technology of the automated vehicle since there is no specific legislation or regulation in this area. In other words, the automated level under the SAE framework matters. Accordingly, vehicles classified under Levels 0, 1 and 2 require predominant driver control, whereas Levels 3, 4 and 5 assume that the machine system holds the primary driving function. Although each level has distinct features, assessing liability based on the specific circumstances and the vehicle's technological capabilities is the most accurate approach. Therefore, determining whether control predominantly rested with the driver, and identifying the conditions under which control shifted back to the driver (such as system warnings, adverse weather, or entering a road the system struggles to interpret) are key factors in evaluating driver liability.

iii. Manufacturer's Liability

In Turkish law, manufacturer liability is primarily governed by the Product Safety and Technical Regulations Law No. 7223 ("ÜGTDK"). This legislation identifies the manufacturer as the main actor who places a product on the market under its own name or brand, while also holding the importer and the distributor in the supply chain liable under certain conditions. Under Article 6 of the ÜGTDK, if a product causes

damage to a person or property, the manufacturer or importer becomes liable for compensation, provided the injured party proves the damage and the causal link. With reference to Article 6/5, this compensation liability is determined under the relevant provisions of the TBK. In exceptional cases where the manufacturer cannot be identified, the distributor is held liable as if it were the manufacturer if it fails to disclose the supplier within ten business days of receiving notice. This liability arises only if the distributor does not provide the requested information regarding the manufacturer, importer, or authorized representative, or, if unaware of those parties, fails to provide information on the preceding commercial enterprise in the supply chain.

Applying this general framework to automated vehicles represents a fundamental shift in the liability paradigm. When an automated system controls the vehicle and an accident occurs without driver fault, it will be difficult to determine who bears liability and whether the manufacturer can be held responsible. For example, if the accident results from the vehicle's laser sensors failing to detect an object, or from a malfunction in the onboard software, the doctrine generally argues for holding the manufacturer responsible, particularly the entity that designed the system or provided the necessary technological infrastructure. However, as with driver liability, the automated level of the vehicle and the specific circumstances of the accident are highly relevant. Indeed, vehicles with levels 1–4 automation still require the driver to retain control under certain conditions, whereas Level 5 automation eliminates any expectation of human intervention. Manufacturer liability therefore varies depending on these scenarios. Therefore, liability for automated vehicles under Article 6 of the ÜGTDK must be evaluated within this framework.

Ahmet Oğul Aksoy, Associate

Legality / Articles

Guest Sector

Guest Sector

Transformation of the Financial Sector

The financial sector is among the fields most affected by economic volatility, geopolitical risks, and fast-paced technological change. Traditionally defined as a system of institutions that collect funds from savers and extend credit, the sector has evolved into a much broader ecosystem that is technology-driven, regulation-intensive, and sustainability-focused. Non-bank financing, capital markets, fintech, alternative investment funds, and sustainability- and regulation-driven dynamics now coexist within a single ecosystem.

1. Expansion of the Financial Ecosystem

Banks

Banks remain the first institutions that come to mind when we speak of the financial sector. In terms of deposit collection, lending, cash management, and foreign trade transactions, banks continue to form the backbone of the system. Across a wide spectrum from SMEs to large-scale industrial and service companies, operating capital and investment loans are still provided primarily through banking services.

However, capital adequacy, liquidity management, and regulatory constraints have ended the period in which banks alone could meet every financing need.

Capital Markets and Alternative Financing Channels

Instruments such as bond and note issuances, share offerings, lease certificates, project finance, and real estate and venture capital investment funds are increasingly used to access long-term financing.

These tools:

- offer equity-like or debt-based solutions depending on a company's balance-sheet structure,
- allow diversification of financing costs,
- expand the investor base while elevating companies' corporate governance and transparency standards.

Non-Bank Financial Institutions and Funds

Factoring, finance and leasing companies, fintechs, private credit funds, and other collective investment structures are also key components of this landscape. In recent years, private credit, private equity, and infrastructure and project funds have been used widely both in mergers and acquisitions and in financing growth investments.

As a consequence, today the financial sector is no longer limited to banks and traditional credit relationships; it appears as a multi-layered ecosystem consisting of numerous institutions and instruments that complement one another.

2. Digitalization and Fintech

Technological developments have redefined how the financial sector operates. Mobile banking, digital wallets, online investment platforms, and robo-advisors have become part of daily life for both individual and corporate clients.

Transitioning from Competition to Collaboration with Fintechs

Fintech companies offering payment services, electronic money and microcredit were initially seen as competitors to the sector, but today collaboration models often prevail. Fintechs generate significant innovation in terms of payment systems, digital wallets, open banking APIs, robo-advisors, and KYC solutions. As such, traditional institutions often prefer partnering with or investing in fintechs rather than developing such technologies “from scratch” internally.

Efficiency, Speed, and Customer Experience

Digital channels accelerate credit allocation and assessment processes, increase the transparency of cash management and reporting, reduce transaction costs and lower operational error risk.

For corporate clients in particular, cash management systems integrated with banking transactions and ERP connections enable seamless integration of financial processes into daily workflows.

Individual and corporate clients open accounts, apply for loans, manage their portfolios and obtain reports without visiting a bank branch. Transaction times shorten and geographical boundaries lose significance.

3. Regulation, Compliance, and Risk Management

Following global crises and market volatility, the financial sector now operates in a stricter regulatory environment than ever. This results in a substantial burden for compliance and reporting, especially for banks and brokerage firms.

Compliance Processes

In areas such as anti–money laundering, combating the financing of terrorism, know-your-customer (KYC) obligations, market surveillance, risk reporting, and consumer protection, institutions must have detailed procedures, implement these procedures effectively, and maintain regular and transparent communication with regulatory authorities.

These processes not only reduce the legal risks of financial institutions but are also regarded as integral components of reputational and operational risk management.

RegTech and SupTech

Regulation technologies (RegTech) refer to software and systems that support compliance processes. With advanced data analytics and AI-supported monitoring tools:

- Unusual transactions can be detected at an early stage,
- Customer segmentation and risk classification can be performed more accurately,
- Audit processes and internal controls become stronger.

In parallel, regulatory authorities are also digitalizing their own supervisory and analytical systems (SupTech), enabling them to monitor the sector more closely and at near real-time frequency.

4. Sustainable Finance and ESG

Sustainability has become a critical subject in the financial sector in recent years. Indeed, environmental, social, and governance (ESG) criteria have become integral to financial decision-making processes.

ESG Filters in Investment Decisions

Fund managers, banks, and insurance companies evaluate company performance in areas such as:

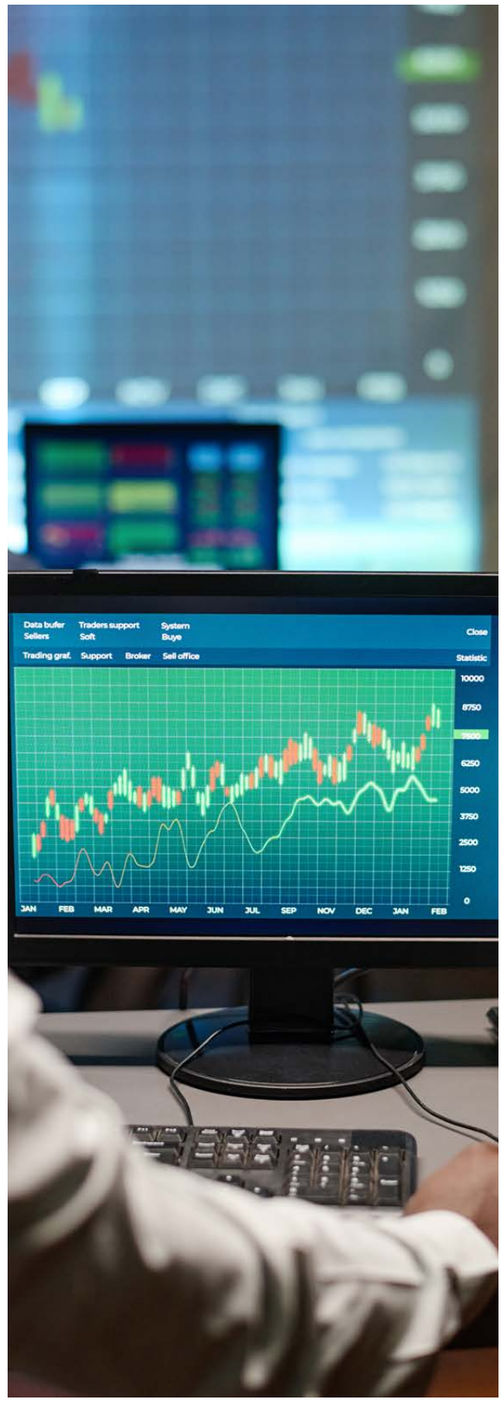
- Carbon footprint, energy efficiency, waste management,
- Employee rights, occupational health and safety,
- Corporate governance, transparency, and compliance with ethical rules. This leads companies with strong sustainability performance to gain a relative advantage in accessing financing.

Green Bonds and Sustainable Loans Products focusing on projects such as renewable energy, infrastructure, energy efficiency and clean transportation, including green bonds and sustainable loans, are becoming increasingly common. These products optimize financing costs, enhance companies' reputation and transparency in the eyes of investors and contribute to financial institutions' sustainability goals.

The transformation of the financial sector creates both opportunities and responsibilities for real-sector companies and investors. Companies now need to design financing strategies that go beyond interest and maturity, adopting a multi-source approach that accounts for balance-sheet impact, collateral structure, corporate governance, and sustainability goals. Therefore, companies gain a competitive advantage when they can evaluate bank loans, capital markets instruments, fund partnerships and alternative financing channels together and strengthen their data management and reporting capacity to adapt to the digitalizing financial ecosystem. As investment options broaden, investors must extend their risk-return analysis to cover ESG and regulation risks as well as traditional market and liquidity risks.

In conclusion, the financial sector is now more than a technical field ensuring the flow of funds, emerging as a strategic business ecosystem shaped by technology, regulation, and sustainability. As financial institutions become more active stakeholders in companies' long-term roadmaps, companies also shift from passively using financial products to comparing options, negotiating, and structuring solutions around their needs. In this new landscape, institutions that navigate the multi-layered financial environment effectively and embed sustainability into their business models are likely to outperform their competitors.

Yiğit Okuldaş, Executive Associate



Legality / Guest Sector

Special Day

Special Day

29 October 1923: The Republican Transformation That Changed the Course of a Nation

Certain dates in the calendar stand out as more than simple markers of time; they signal a nation's rebirth and its return to the stage of history with renewed strength. 29 October 1923 is such a date for the Turkish nation. That day, during a session of the Grand National Assembly of Türkiye, the Assembly accepted the constitutional amendment prepared by Mustafa Kemal Pasha, and the state's form of government was officially proclaimed as a Republic. This proclamation was not only the beginning of a new regime; it was the cornerstone of Atatürk's Reforms, which aimed to modernize the Turkish society, and the political revolution that paved the way for all subsequent reforms.

29 October 1923 was a historical turning point that redefined the destiny of the Turkish nation. Indeed, 29 October marks the day when a nation finally stepped back into the light after years of wars, occupations, and deprivation; the day the nation declared to the world its will to determine its own destiny.

To understand the path leading to the Republic, one must turn to the final period of the Ottoman Empire. The Ottoman state, a six-hundred-year-old empire, was governed as an absolute monarchy until 1876, and the sultan's unrestricted authority shaped the state's political system. Although the Tanzimat and Constitutional periods introduced steps toward reform, these efforts were not enough to halt the empire's collapse. Ottoman intellectuals saw constitutional rule as a requirement of the age, yet the idea of a republic did not resonate with the broader public. The empire's de facto collapse at the end of the First World War signaled not only the fall of a political structure but also the shattering of a centuries-old worldview. With state authority dissolving, the nation began seeking a new political will that could rebuild its uncertain future; this search naturally set the stage for the emergence of the Turkish War of Independence. This new era, which would eventually determine Türkiye's destiny, also helped shape the concept of the modern state.

From the earliest stages of the Turkish War of Independence, Mustafa Kemal Pasha stood out as a leader who possessed clear vision regarding the future model of the state. This clarity is evident in his remark to Mazhar Müfit Bey, made three days before the Erzurum Congress in 1919: "When the time comes, the form of government will be a Republic." This statement shows that the proclamation of the Republic arose not from necessity or the postwar situation, but from long-term deliberation and historical foresight.

In fact, the idea of the Republic had taken shape in spirit even before its name was spoken aloud, as shown by an article adopted at the Erzurum Congress: “It is essential to establish national will as sovereign.” This decision marks a turning point, when ties to the Ottoman Empire’s monarchical traditions visibly loosened and the first seeds of a new political order based on popular sovereignty were sown. The notion that national will would shape state governance turned into a political manifesto, signaling the Republic’s foundational philosophy.

The real turning point in which all this deliberation turned into action was the opening of the Grand National Assembly in Ankara on 23 April 1920. After the dissolution of the Chamber of Deputies in occupied Istanbul, the Assembly became the only legitimate body representing national sovereignty, and by assuming both legislative and executive powers, it set out to build the political architecture of the new state. In practice, this new model functioned as an early form of the Republic.

The Constitution of 1921, adopted on 20 January 1921, defined the legal framework of this de facto situation and declared that sovereignty “unconditionally belongs to the nation.” Thus, even before 1923, the Republic had already evolved from an idea into a reality in the daily practice of state governance.

However, the proclamation of the Republic faced an emotional and historical barrier: the sultanate. For some segments of society, the Ottoman sultanate represented a cultural and emotional bond with the past. Some people, worn down by wars and surrounded by economic hardships, tended to see salvation in the restoration of traditional authority. Therefore, abolishing the sultanate was more than a mere change in government; it marked the transformation of one of the most deeply rooted ties to the past in the collective memory of society. For this reason, the Grand National Assembly’s decision on 1 November 1922 to abolish the sultanate was a politically and legally necessary step preceding the proclamation of the Republic. This decision severed the nation’s future from the shadows of the past and paved the way for a new state philosophy.

Another historical milestone that contributed to the maturation of the idea of a Republic was the complete withdrawal of the occupying forces from Istanbul on 2 October 1923. This was not only a military and diplomatic achievement, but also a psychological breakthrough: it freed the national consciousness from the sense of “captivity” and removed the mental barriers that had stood in the

way of the birth of a new state. The liberation of Istanbul facilitated the nation’s acceptance of the Republic as an idea.

Yet, despite these developments, a portion of society struggled to let go of the belief that Istanbul could reclaim its status as the capital or that the Ottoman legacy might persist in some way. Therefore, the proclamation of the Republic was not merely the announcement of a political choice but also the realization of a new society and a new state. The Republic represents a historical transformation, moving from a mindset that idealized the past to one that builds the future.

After establishing the political foundation of the Republic, the

declaration of Ankara as the capital on 13 October 1923 was more than a geographic choice; it represented the emergence of a new political identity. Rising in the heart of Anatolia, this new center symbolized both the spirit of the Turkish War of Independence and the modest yet determined stance of the new regime rooted in popular sovereignty. However, while the matter of the capital had been resolved, disagreements over the form of government persisted in the Assembly. These debates became more visible in the disruptions affecting the state’s actual functioning.

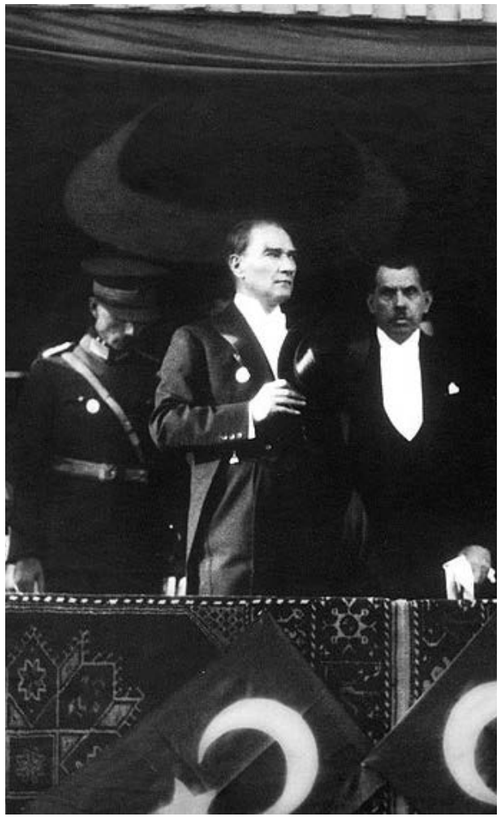
On 27 October 1923, the resignation of the Council of Ministers and the failure to form a new cabinet that could gain the confidence of the Assembly made it clear that the existing form of government had become unsustainable. This moment of crisis created the historical opportunity for Mustafa Kemal Pasha to give legal form to the idea of the Republic, which he had long envisioned. Together with İsmet İnönü, he prepared the bill containing the necessary amendments to the Constitution of 1921 and submitted it to the Assembly on 29 October 1923. That day, the Grand National Assembly of Türkiye was not merely choosing a form of government; it was redefining the fate of a nation still in the making. With the decisions taken in the Assembly, the Republic

was proclaimed, and the principle of national sovereignty was clearly established in the state structure and legally affirmed.

When the proclamation of the Republic was announced in Ankara with a salute of 101 guns, the echo that spread across Anatolia signaled not only a change of regime but also the beginning of a new era. Although 29 October had not yet been declared a holiday, the people's enthusiasm and sense of freedom spontaneously turned the day into a national celebration. The festivities held on the night of 29 October and throughout 30 October showed that the public, emerging from centuries of monarchical rule, was experiencing the joy of becoming a nation that determined its own destiny in a spirit of nationwide mobilization.

Following these spontaneous celebrations, the state formalized the commemorations with the decree of 26 October 1924, deciding that the proclamation of the Republic would be celebrated each year with a salute of 101 guns and a special ceremony program. By 1925, upon review by the Assembly's Constitutional Committee, 29 October was officially recognized as "Republic Day." Thus, the proclamation of the Republic ceased to be merely a historical event and became a national holiday firmly embedded in the nation's collective memory.

In the early years, the celebrations were more modest, consisting of single-day ceremonies: an official reception in the morning, a formal parade before state officials in the afternoon, and a torchlight procession in the evening. In addition to these ceremonies, "Republic Balls" were held as a social reflection of modernization. These balls symbolized the modern, contemporary, and egalitarian spirit that the new regime brought to social life. This early model of celebration became a showcase for the cultural transformation of modern Türkiye.



Legality / Special Day

However, the year 1933 marked a turning point in the history of Republic Day celebrations. The tenth anniversary was more than a commemoration; it was a milestone that showcased to the world the sweeping reforms and the social and economic development achieved by the new order established by the Republic in just ten years. The "Law on Celebrating the Tenth Anniversary of the Proclamation of the Republic," numbered 2305 and adopted by the Grand National Assembly, determined that the celebrations would last three days and that the country would observe these days as official holidays, thus affirming from the outset the historical significance of that year's ceremonies.

As part of the preparations, the naming ceremonies held across the country gave public squares the name "Republic Square," and modest "Republic Monuments" or "Republic Stones" were erected at the center of each square. These monuments stood as tangible symbols of the mental and emotional bond the nation had formed with the Republic. The ceremonies, featuring colorful processions, large parades, wide-ranging performances and marches echoing through city squares, were held with a grandeur far surpassing that of previous years.

On 29 October 1933, the Tenth Anniversary Address delivered by Mustafa Kemal Atatürk in Ankara's Republic Square was more than the speech of the day; it became one of the most powerful addresses in the history of the Republic. Likewise, the Tenth Anniversary March, composed in the same period, became more than a musical piece; it turned into a symbol in the nation's collective memory, representing the Republic's progress, its self-confidence, and its faith in the future.

In his Tenth Anniversary Address, Atatürk described 29 October as "the greatest holiday," transforming the day into the symbol of a historical journey rather than a simple date on the calendar. Celebrated anew each year, this holiday has endured as an unwavering expression of the nation's commitment to the ideal of freedom, to the founding philosophy of the state, and to the progressive spirit of the Republic. Even today, Republic Day is not only a remembrance of the past but also a renewed affirmation of the will to shape the future, and in the shared conscience of the Turkish nation, it still retains the character of "the greatest holiday."

İrem Nur Çelik, Associate

News to the World

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Decision on VERBİS Registration Exemption Published

The Turkish Personal Data Protection Board (Board) published its decision no. 2025/1572 of 04.09.2025 in Official Gazette No. 33034 on 01.10.2025.

In this decision, the Board amended the expression in its decision no. 2018/87 of 19.07.2018, as previously modified by its decision no. 2023/1154 of 06.07.2023, from: "*Real or legal person data controllers with fewer than 50 employees and an annual financial balance sheet total below 100 million Turkish liras, whose main activity does not involve processing special categories of personal data*" to: "*Real or legal person data controllers with fewer than 50 employees and an annual financial balance sheet total below 100 million Turkish liras, whose main activity does not involve processing special categories of personal data, as well as real or legal person data controllers whose main activity involves processing special categories of personal data but who have fewer than 10 employees and an annual financial balance sheet total below 10 million Turkish liras.*" The Board decided that this amendment would enter into force on the date of its publication in the Official Gazette.

This exemption was made in consideration of Article 16(2) of Personal Data Protection Law No. 6698 and Article 16 titled “Exemption Criteria” of the Regulation on Data Controllers Registry.

The Board had first decided in its decision no. 2018/87 of 19.07.2018 to exempt *“real or legal person data controllers with fewer than 50 employees and an annual financial balance sheet total below 25 million Turkish liras, whose main activity does not involve processing special categories of personal data”* from the obligation to register with the Data Controllers Registry. This scope of exemption took its final form with the Board’s decision no. 2025/1572 of 4 September 2025.

See the full Decision at:

https://www.resmigazete.gov.tr/eskiler/2025/10/20251001-4.pdf

Communiqué (No: 2025/3) Amending the Communiqué (No: 2010/3) on Regulating the Right to Access Files and Protecting Trade Secrets Published

The Communiqué (No: 2025/3) Amending the Communiqué (No: 2010/3) on Regulating the Right to Access Files and Protecting Trade Secrets entered into force upon publication in Official Gazette No. 33037 of 04.10.2025.

With this amendment, the Communiqué redefined the term “file” in Communiqué No. 2010/3 to include *“all information and documents obtained, created or compiled for an investigation and final review,”* and the articles on the purpose, scope, and general principles of the Communiqué were amended accordingly. In addition, the definition of “complainant” was removed from the definitions section of the Communiqué.

Further, the relevant article of the Communiqué was amended to state that *“Internal correspondence, excluding exculpatory or incriminating parts, and trade secrets do not fall within the scope of the right to access files,”* thereby narrowing the exception to the right to access files.

Pursuant to the amendments made to Article 7, which defines the scope of internal correspondence, all reports prepared by the Authority, including initial review and preliminary investigation reports, will also be considered internal correspondence.

In addition, under the new paragraph 2 added to Article 7 of the Communiqué, the following documents will also be considered internal correspondence:

- Information and documents obtained pursuant to Articles 6/4 and 9/4 of the Regulation on Active Cooperation for Detecting Cartels,

- Correspondence conducted by the Authority under Article 14 of Law No. 4054 with other public institutions, professional bodies with public institution status, or private-sector real and legal persons, from which the Authority seeks information,

- Documents listed in Articles 6/4 and 8/2 of the Regulation on the Settlement Procedure Applicable in Investigations into Anti-Competitive Agreements, Concerted Practices, and Decisions and Abuse of Dominance,

- Minutes and their annexes prepared under Article 15 of Law No. 4054.

The title of Article 8 of the Communiqué was amended as *"Period and procedure for exercising the right to access files,"* and it was regulated that parties may submit their requests to access files until the expiry of their first written defense periods, or, if the investigation committee sends an additional written opinion, until the expiry of their second written defense periods. It was further regulated that requests to access files will not be accepted if the request form attached to the Communiqué (Communiqué No. 2025/3) is not completed accurately and fully.

Under Provisional Article 1, the amendments introduced by Communiqué No. 2025/3 will not apply to ongoing investigations.

See the full Communiqué at:

https://www.resmigazete.gov.tr/eskiler/2025/10/20251004-4.htm

Constitutional Court Annuls Rule Requiring Principal and Subcontractor to Jointly Attend Mediation in Reinstatement Cases

The Constitutional Court's (Court) decision (file no. 2024/157, decision no. 2025/121, 03.06.2025) was published in Official Gazette No. 33050 on 17.10.2025. As per the decision, the Court annulled the provision that required the principal employer and the subcontractor to jointly attend mediation meetings held for reinstatement claims and to have aligned intentions, finding it unconstitutional. The annulled provision was set out in paragraph 15 of Article 3 of Labor Courts Law No. 7036.

The Court examined the provision under Article 13 of the Constitution on the grounds that it imposed a restriction on the "Freedom to Claim Rights" guaranteed under Article 36 of the Constitution. The Court found that the rule served a legitimate aim, such as preventing disputes over party status during the trial and ensuring employers' participation in the process; however, it held the rule unconstitutional in terms of proportionality as per the principle of proportionality set out in Article 13 of the Constitution. The decision stated that the obligation to identify the relationship between the principal employer and the subcontractor, to which the employee is not a party, and to conduct a joint mediation process against both parties imposed an unreasonable burden on the employee. The Court concluded that the rule failed to strike a reasonable balance between the public interest and the individual benefit of the employee in exercising the right of access to the courts.

See the full Decision at:

https://normkararlarbilgibankasi.anayasa.gov.tr/Dosyalar/Kararlar/KararPDF/2025-121-nrm.pdf

Regulation Amending the Regulation on Private Health Insurance Published

The Regulation Amending the Regulation on Private Health Insurance was published in Official Gazette No. 33053 on 20 October 2025. The Regulation is set to enter into force on 1 January 2026.

With the amendment, illness insurance was added, alongside travel health insurance, to the types of insurance excluded from the scope of the Regulation.

The title of Article 6 of the Regulation was changed to "Waiting periods." With the amendment, waiting periods were regulated by stating that "*The company may stipulate waiting periods for insurance policies in accordance with insurance practice and the rules of good faith,*" and it was further regulated that no waiting period will be reapplied to policies renewed under the same plan.

Companies are now required to offer policies containing a lifetime renewal guarantee (ÖBYG) to persons who have not yet reached the age of 60. The minimum conditions for obtaining the ÖBYG are:

- Being insured under the same plan for an uninterrupted period of 3 years, with at most a 1-month break between policy renewal periods,

- Having the ratio of total claims paid during these 3 years to total premiums received remain below 80%.

After providing the lifetime renewal guarantee (ÖBYG), the company may not narrow the scope of coverage, reduce limits or apply additional premiums to the detriment of the insured.

Legality / News to the World

Amendments Regarding Personal Data in the Regulation:

The Regulation also introduced significant provisions aiming for full compliance with Personal Data Protection Law No. 6698 (KVKK) and strengthening the rights of the insured.

Accordingly, the new Article 16/2 explicitly states that full compliance with the KVKK and related legislation is mandatory for personal data processing activities carried out under the Regulation.

In addition, the new Article 15 regulates that companies may access the insured persons' health data only through the Insurance Information and Monitoring Center and only for the purposes of conducting risk assessments and claims calculations for policies at the offer stage, in force, or in transition and determining the scope of the lifetime renewal guarantee to be granted and the waiting periods to be applied along with the amounts payable under complementary and supplementary health insurance products.

Paragraph 3 of Article 16 provides a retention period of 10 years for insurance records and health data held by the Center, starting from the termination of the person's insurance status.

At the end of this period, the Insurance Information and Monitoring Center is obliged to delete, destroy, or anonymize the data ex officio in accordance with the KVKK.

The new paragraph 4 of Article 16 explicitly regulates that all real and legal persons subject to the confidentiality obligation listed in Article 31/A of Law No. 5684, who become aware of confidential information about the insured, must keep such information confidential and that this obligation survives the end of their duties and capacities.

See the full Regulation at:

https://resmigazete.gov.tr/eskiler/2025/10/20251020-1.htm

World News

Legality
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EU Launches Probe into Google's Use of Content for AI

The European Commission has opened a formal competition investigation into how Google uses website content and YouTube videos in developing its artificial intelligence (AI) services. The Commission will examine whether Google imposes unfair copyright and usage terms on news publishers and content creators, and whether it places rival AI model developers at a disadvantage. As part of the probe, the Commission will assess whether publishers' content is used in search result pages that display generative AI answers without adequate compensation and without a genuine option to opt out. Similarly, the investigation will look into whether videos uploaded to YouTube are used to train AI models without compensation to rights holders and without a clear choice being offered.

The move comes shortly after the European Union (EU) imposed a hefty administrative fine on Elon Musk's X platform for violations of the Digital Services Act (DSA). Musk's subsequent call for the EU to be dismantled, along with long-standing accusations by the Washington administration that Brussels is "targeting US tech giants," has fueled commentary that the new investigation could further strain transatlantic relations. EU officials, however, stress that competition and digital market rules apply within their sovereign jurisdiction regardless of a company's country of origin.
EU Competition Commissioner Teresa Ribera has said that AI delivers significant innovation and efficiency to society, but not at the expense of fundamental democratic and economic principles. Meanwhile, a Google

spokesperson has argued that the complaints "risk undermining innovation in what is already a highly competitive market", adding that European users deserve access to the latest technologies and that the company wants to continue working with the news media and other creative industries.

EU Fails to Reach Agreement on New Airline Passenger Rights Rules

The European Union (EU) has failed to agree on the scope of a new airline passengers' rights law that has been under discussion for over 11 years. The law, which aims to strengthen passenger rights, has stalled for years amid intense pressure by the aviation industry, particularly low-cost carriers. The draft text provides for a ban on fees for cabin baggage and compensation for passengers when flights are delayed by more than three hours. While the European Parliament insists on preserving these rules, the Council, negotiating on behalf of Member States, has proposed raising the delay threshold from three to four hours. Germany, Portugal, Slovenia and Spain were among the countries opposing this change.

Consumer groups argue that cabin baggage fees are unlawful and that passengers should have a clear entitlement to delay compensation. Airlines, by contrast, say the proposed rules would increase costs, weaken competitiveness, and push up ticket prices.

Under current EU rules, passengers are entitled to compensation ranging from €250 to €600 for delays of more than three hours or cancellations. The new draft proposes payments of €300 to €600 depending on distance, while Parliament opposes any change to the three-hour delay threshold. The proposal also stipulates that passengers must be entitled to one free personal item and a cabin bag that does not exceed specified size and weight limits. Airlines warn that these requirements would place operational and financial strain on carriers, especially regional airlines. Consumer groups, citing a 2014 ruling

by the Court of Justice of the European Union, stress that “reasonably sized” cabin baggage forms an integral part of the basic ticket and cannot be subject to additional charges.

As the Council and Parliament failed to agree on a negotiating mandate, Parliament will draft its report and submit it to the Transport Committee. The committee vote is expected on 12 January 2026, after which the file is set to move to the Strasbourg plenary.

Italian Competition Authority Considers Interim Measures Against Meta Over AI Tools on WhatsApp

The Italian Competition Authority has announced the expansion of its investigation into whether Meta abused its dominant position by preventing the use of rival artificial intelligence (AI) chatbots via WhatsApp, and the launch of a procedure to apply interim measures. Opened in July, the probe was expanded in a statement on Wednesday to cover updated terms of use for WhatsApp’s communications management interface for businesses, as well as newly added AI assistant tools. The Authority says it is considering suspending the new provisions and limiting Meta’s AI integration, citing concerns that competition could be harmed while the terms remain in force.

A WhatsApp spokesperson has said the company categorically rejects what it describes as unfounded allegations. The spokesperson says WhatsApp’s business API is not designed to support AI chatbots and that such use would place a significant technical burden on the platform. The Italian Authority previously argued that Meta’s AI assistant was integrated into WhatsApp without user consent and that this could weaken the competitive position of rival services.

The Authority also said Meta changed WhatsApp Business terms of use on 15 October to ban AI companies from using the platform. The new terms take effect immediately for new businesses and from 15 January 2026 for existing users. The Authority warned that the changes could distort competition in the AI chatbot market by effectively restricting access to the WhatsApp ecosystem, which has more than 37 million users in Italy.

WhatsApp says it disagrees, adding that “the update does not affect tens of thousands of businesses that provide customer support or communicate with customers using their preferred AI assistant”.

The investigation is expected to be concluded by the end of 2026. Companies found to have abused a dominant position in breach of EU competition rules can face fines of up to 10% of their global annual turnover.

EU Signals New Direction on Sustainable Fuel Policies

The European Union (EU) plans to increase the use of biofuels to cut greenhouse gas emissions in the heavy haulage industry. The move is expected to sit at the core of the EU’s new bioeconomy strategy, but environmental groups have long criticized the approach, arguing that biofuels are not sustainable and pose serious environmental risks. Chief among these concerns are threats to food security and the reduction of forests’ carbon absorption capacity caused by biofuel production.

The EU is particularly targeting increased biofuel use in sectors such as aviation and maritime transport, where decarbonization remains most challenging. These sectors account for about 8.4% of the EU’s total greenhouse gas emissions and remain heavily dependent on fossil fuels. Despite ongoing investments in clean energy technologies, the lack of sustainable alternative fuels at sufficient scale is pushing the Commission toward biomass-based solutions.

Biofuels are classified into three generations based on their sources: first-generation biofuels are derived from food crops, second-generation biofuels from non-edible plants and agricultural waste, and third-generation biofuels from algae. Even so, the EU’s current biofuel production capacity is widely seen as insufficient to meet demand. A 2023 report by the European Court of Auditors found that sustainability concerns, constraints on biomass supply, and high costs are limiting biofuel use. The absence of a clear long-term policy framework is also weighing on investment in the sector.

According to data from the European Environment Agency, Europe's consumption of nature-based resources has exceeded ecosystems' capacity to regenerate and absorb carbon dioxide. In 2022, biomass accounted for 29% of Europe's energy consumption, an increase of 14% over the past decade, leading to doubts about the environmental sustainability of the biofuel strategy.

A new agricultural agreement between the EU and Ukraine is expected to help secure feedstocks for biofuel production. Ukraine's vast farmland, particularly its grain and oilseed output, positions it as a potential key supplier. Officials say Ukraine could play a more central role in supply chains if import restrictions on sensitive products are lifted.

As the Commission prepares to publish the third review of its bioeconomy strategy, in force since 2012, it aims to ensure that the strategy contributes to food security, climate action, and competitiveness. The bioeconomy sector generated an estimated €2.7 trillion in economic value in 2023 and is described as strategically important for the EU. However, global competition from the United States and China, combined with structural barriers in the EU single market, risks pushing innovation outside Europe.

These developments are closely linked to the global climate policy environment following COP30. While the summit increased financing commitments to countries most affected by climate change, the failure to present a clear roadmap for phasing out fossil fuels was seen by environmentalists as a disappointment. This uncertainty is prompting the EU to approach

biofuel policy not only from an environmental perspective but also through the lenses of energy security and global competitiveness.
Overall, the EU views biofuels as a strategic tool to reduce emissions, but the approach continues to generate intense debate over environmental sustainability, food security, and pressure on ecosystems.

EU General Court Rejects Amazon's Challenge Under Digital Services Act

The General Court of the Court of Justice of the European Union (EU) has rejected Amazon's request to be exempted from the stringent obligations imposed under the Digital Services Act (DSA). The US-based technology company had argued that its platform did not pose the kind of "systemic risks" targeted by the DSA. In its ruling, the General Court in Luxembourg dismissed Amazon's challenge in its entirety.

The DSA, which recently entered into force, requires online platforms to prevent the spread of illegal content and products. On that basis, the European Commission had designated Amazon as one of 25 companies classified as a "Very Large Online Platform" (VLOP) due to its more than 45 million monthly users. This status entails the heaviest obligations under the DSA, including stricter reporting requirements and the payment of a supervisory fee to the Commission. Amazon had argued that the designation infringed its fundamental rights, including freedom to conduct a business and the protection of trade secrets.

In its judgment, the court stressed that all very large platforms were assessed "on an equal footing" because they might pose systemic risks to society. It said the user-based threshold was not arbitrary, noting that platforms with more than 45 million users could expose far larger audiences to illegal content. The court also acknowledged that the DSA might create additional costs but found that the regulation did not undermine the essence of the freedom to conduct a business and pursued a legitimate objective under the EU Charter of Fundamental Rights. Amazon says it will appeal the ruling.

Belgian Farmer Sues TotalEnergies Over Climate Crisis

Belgian farmer Hugues Falys is appearing at the first hearing of his lawsuit against TotalEnergies, claiming that climate change has caused severe damage to his agricultural production. The case is the first climate lawsuit brought against a multinational company in Belgium.

Falys says climate-driven extreme weather events, including heavy rainfall, droughts, and heatwaves, have sharply reduced the productivity of his pastures and crops, and he is seeking compensation from the company. The lawsuit is backed by FIAN, Greenpeace, the Human Rights League, and the International Federation for Human Rights (FIDH).

The NGOs are calling for TotalEnergies to halt all new fossil fuel investments and for a legal finding that the company has harmed the climate system. TotalEnergies, which presents itself as a provider of "affordable, reliable and sustainable" energy to millions of people, has acknowledged that it increased hydrocarbon production by 4%, despite recently announcing a $100 million climate investment at COP30.

The increase runs counter to recommendations from scientific bodies such as the IPCC, which say fossil fuel production must be reduced to keep the 1.5°C target within reach. NGOs say they hope the court will order TotalEnergies to stop fossil fuel investments and force a genuine green transition.

The company has declined to comment on both Falys's claims and its fossil fuel investments. A ruling is expected in early 2026.

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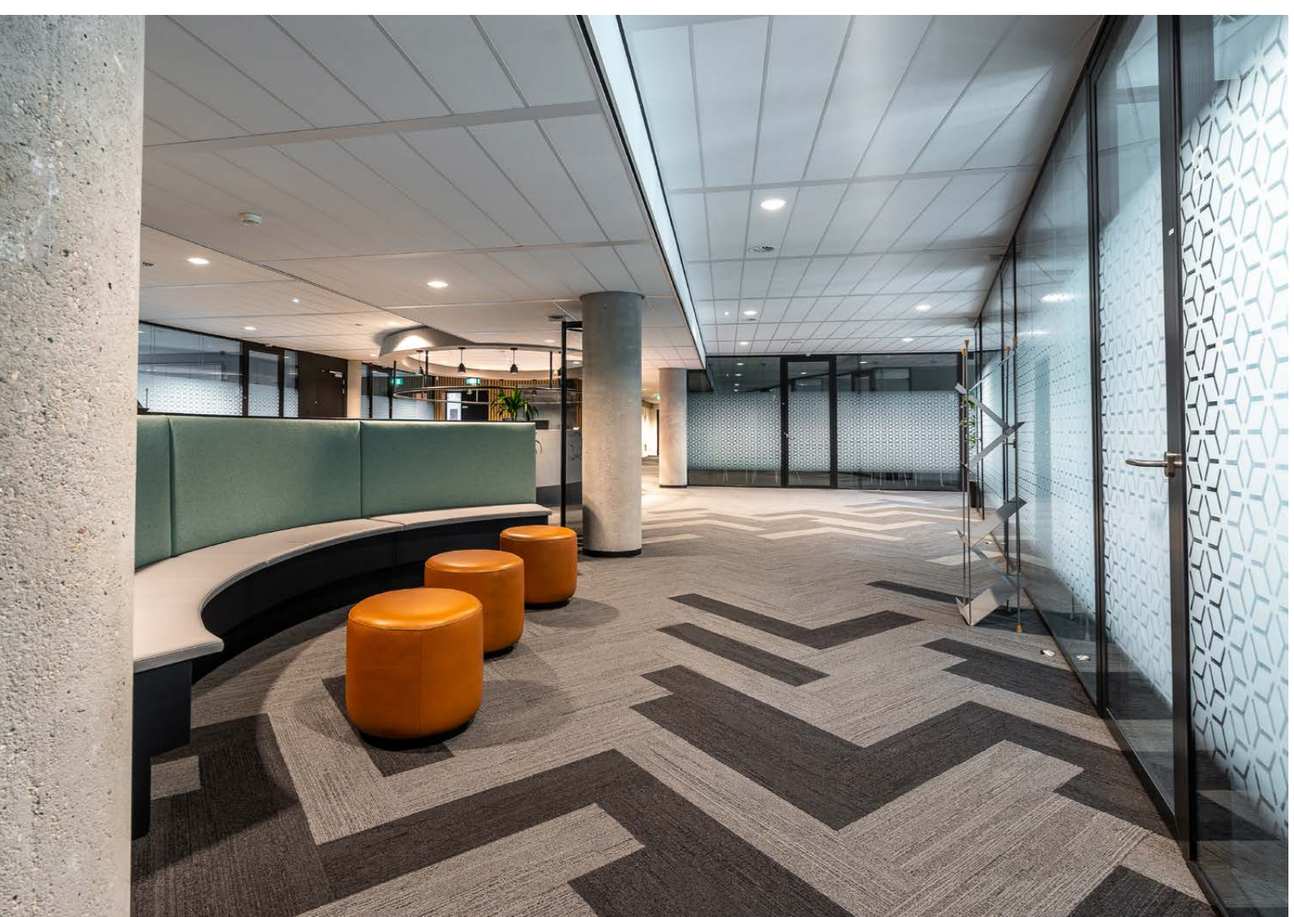

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Şengün Group and Şengün & Partners National and EU Registration Consulting Center for Geographical Indications published the “Special Issue – September 2025” of the “Geographical Indications” newsletter.

The issue features the articles titled “History and Cultural Significance of Geographical Indications” and “Types and Classification of Geographical Indications.”

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Atty. Nedim Korhan Şengün, Founder of Şengün & Partners Attorney Partnership, met with Counsel M. Babür Alçı to discuss the latest developments in marina management and the sector’s evolving needs.

The meeting covered legal and commercial challenges in the maritime sector, international regulations, investment opportunities and emerging approaches, with particular focus on issues shaping the future of global trade and maritime transport.

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On 3 September 2025, TOBBUYUM and the Defence and Aerospace Industry Manufacturers Association (SASAD) held the “Strategic Protection and Growth in the Defence Industry: IPOs, Concordat, Intellectual Property and Data Security” programme at Ankara Chamber of Industry, bringing together leading figures from the defence, legal and investment sectors. The programme addressed strategic solutions and key sector dynamics in critical areas such as investment, intellectual property, data security and concordat proceedings in the defence industry.

In the first session, Atty. Nedim Korhan Şengün, Founder of Şengün & Partners Attorney Partnership and Chair of TOBBUYUM IPO, Investment and Entrepreneurship Commission, delivered a comprehensive presentation titled “IPOs and Entrepreneurship.” He addressed the implications of IPO and entrepreneurship processes for the defence industry and shared a broad perspective through notable examples from Türkiye and around the world. TOBBUYUM General Manager Dr Onur Yüksel, PhD, followed with a presentation titled “Commercial Disputes and New Solutions,” outlining innovative methods for resolving commercial disputes. The event concluded with a well-attended Q&A session.

The Business World and Law Association (İDHD), chaired by Atty. Nedim Korhan Şengün, Founder of Şengün & Partners Attorney Partnership, announced the broadening of its logistics activities.

Sevil Öge, İDHD Board Member, will lead the establishment of the International Logistics Committee as its Chair.

With a long-standing legacy of expertise and innovation, Şengün & Partners Attorney Partnership marked the 36th anniversary of its establishment.

On this occasion, the firm expressed its gratitude to all team members, clients and friends it has worked with over the years for their trust and valuable contributions.

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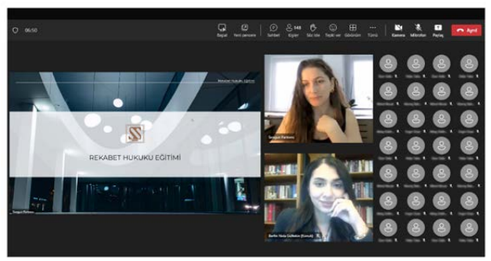
Şengün & Partners Attorney Partnership announced that Partner Gülşah Güven, LL.M., would assume the role of Şengün Group Coordinator, while Partner Birgi Kuzumoğlu would serve as Head of the Business and Strategy Department.

The firm also confirmed its decision to establish an organic Şengün-Europe structure, building on the ongoing engagements of its Founder, Atty. Nedim Korhan Şengün. In this context, the firm said it would set up direct, organically integrated structures and organizations in various European countries.

Upon invitation, Şengün & Partners Attorney Partnership participated in Sales Network Summit 2025, held at UNIQ Istanbul on 8–9 October 2025 under the theme “AI for a Better World.”

Representing the firm at its dedicated stand were Partner Gülşah Güven, Executive Associate Öykü Gülsen, Executive Associate Yiğit Okuldaş, Associate Dila Yıldırım, Associate İrem Nur Çelik, Legal Intern Duygu Yaren Yıldırım, and Creative Director Gizem Yağmur Gölbaşı.

Upon invitation, Partner Birgi Kuzumoğlu represented Şengün & Partners Attorney Partnership at LOGISTECH – 4th International Logistics, Warehousing and Technologies Fair, held at Fuarizmir on 8–10 October 2025.



Şengün & Partners Attorney Partnership held a sector-specific competition law training session on 22 October 2025.

The training, delivered by Partner Gülşah Güven and Atty. Berfin Nida Gültekin, covered current developments and practical examples on competition law compliance processes, risks related to information exchange within supply chains, and the abuse of a dominant position.

The presentation, attended by more than 150 participants, concluded with an active Q&A session.

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The Turkish Capital Markets Association organized the 9th Türkiye Capital Markets Congress themed “Interaction (Dynamics, Opportunities, Future)” on 4–5 November 2025 at Wyndham Grand Istanbul Levent, bringing together industry stakeholders.

Upon invitation, Partner Gülşah Güven, Executive Associate Yiğit Okuldaş and Associate İrem Nur Çelik of Şengün & Partners Attorney Partnership attended the event.

The sessions focused on the development of the financial system, sustainable growth, and the impact of digitalization on capital markets, examining current sector dynamics and forward-looking strategic opportunities.

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On 25 November 2025, Atty. Nedim Korhan Şengün, Founder of Şengün & Partners Attorney Partnership, and Associate Dila Yıldırım attended the event Women Talk, organized by Sales Network as part of its Leaders Club and Women in Sales Network initiatives, by invitation.

Hosted by Qumpara, the event opened with a speech by Sales Network Founder Ergün Güler, followed by a traditional year-end opening session featuring a speech titled “Outlook and Perspectives on Financial Markets” by Pınar Uslu, Director of Economic Research and Market Strategies at ING Yatırım. The programme continued with a panel moderated by Ulfet Baykent Uysal, Human Resources Director at Diageo Türkiye, during which Duygu Kaçıkoç, Modern Channel Senior Sales Manager at Sanipak, and Volkan Yıldız, Executive Board Member and CMO & CCO of A101 Yeni Mağazacılık A.Ş., shared best practices and experiences from their organizations.

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Atty. Nedim Korhan Şengün, Founder of Şengün & Partners Attorney Partnership, held a series of meetings and business discussions with clients in Abu Dhabi and Dubai as part of his United Arab Emirates programme on 7-11 December. During his engagements in the region, he also took part in evaluation meetings with senior representatives from the social media and e-commerce sectors and regional executives of for the Middle East.

As part of this extensive business programme, Atty. Nedim Korhan Şengün attended, by invitation, the event “Sales Network MEA – Second Gathering | Future of Sales for a Better World”, organized by Sales Network in the MEA region on 10 December 2025.

Hosted by VitrA Dubai, the event opened with a keynote address by Sales Network Founder Ergün Güler. This was followed by a session moderated by Murat Helvacı, Middle East & Africa Regional Director at VitrA and Sales Network MEA Ambassador, featuring insights from Arda A., Regional Director at LinkedIn; Cihan Öztürk, Head of Client Solutions for Türkiye, Central & South Asia at TikTok/ByteDance; and Melitsa Mizrahi, Human Resources Director at Papa Johns, who shared their views on evolving dynamics in sales, leadership and the workforce.

Invited to share his opinions on the Dubai ecosystem and current developments in social entrepreneurship, Atty. Nedim Korhan Şengün noted that Türkiye’s multi-dimensional cooperation with the Gulf region points to new opportunities for the future.

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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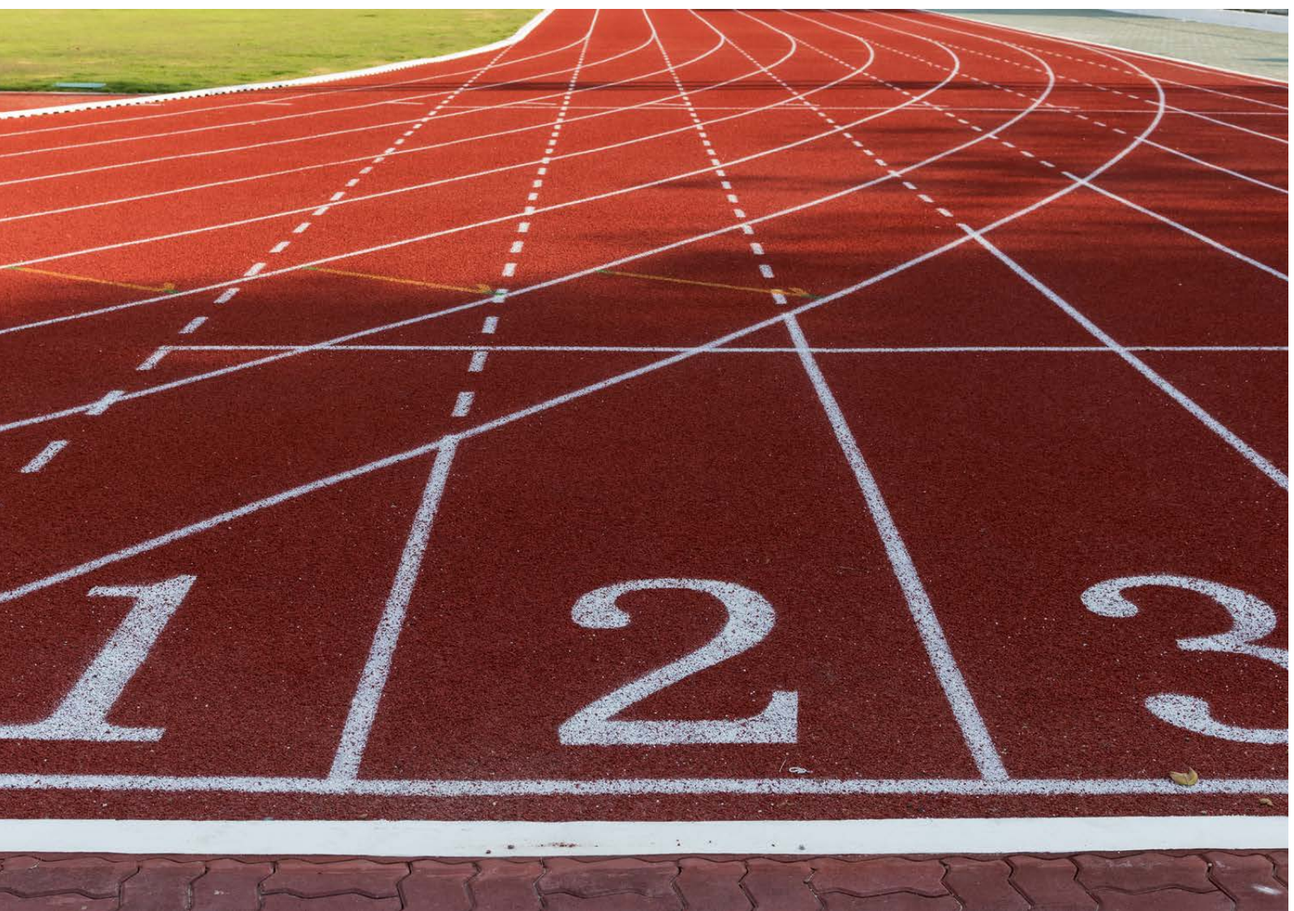

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CLI Competition Law Institute

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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