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NEWSLETTER

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The Regulation Amending the Natural Gas Market License Regulation

The Regulation Amending the Natural Gas Market License Regulation (the “**Amendment**”) which was released by the Energy Market Regulatory Authority (the “**Authority**”) and published in the Official Gazette dated April 17, 2018 and numbered 30394 introduces operational amendments as regards to the review of license and certificate by the Authority and the Energy Market Regulatory Board (the “**Board**”).

Pursuant to Article 42 of the Natural Gas Market License Regulation (the “**Regulation**”) on share transfers by a licensed entity; the direct or indirect acquisition and/or the transfers of the shares resulting in the shareholdings exceeding or falling below ten percent or more of the capital of such licensed entity (five percent or more for publicly traded companies) by a natural or legal person shareholders, are already subject to the approval of the Board. The Amendment imposes that the transfer of the shares in distribution companies to municipalities or municipal corporations and the changes as a result of capital increases in the capital of indirect shareholder legal persons within licensed legal entities are exempt from the Board approval and will only require license amendments by serving a written notice to the Authority. License amendments to be conducted within this context will not be subject to license amendment fees. The Amendment adds that written applications for the renewal of licenses shall be resolved within the first ninety days following the receipt of the application documents by the Board’s central document office.

The Regulation normally provides that granting privileged rights on the existing shares, removing the privileged rights from the privileged shares or issuing a dividend share is subject to the Board approval. With the Amendment, the following exemptions have been set forth to the approval requirements regarding the privileged shares:

a) Transfer of privileged shares in licensed corporations directly held by natural and/or legal persons to other currently privileged shareholders regardless of the share percentage are exempt from the approval, except for those that result in

the full withdrawal from shareholding in the corporation,

b) Transfer of privileged shares in the shareholder of the licensed legal entities having direct or indirect shareholding in such licensed entity, are exempt from the approval of the Board except for the share transfers exceeding or falling below the share percentages mentioned in the first paragraph of Article 42 as outlined above. It is foreseen that the license holder is responsible for serving a written notice to the Authority within the first sixty days following the relevant share transfer.

The Regulation has entered into force on the day it was published on the Official Gazette (i.e. April 17, 2018).

Cabinet’s Decision on Extension of State of Emergency

Pursuant to the Council of Ministers Decision numbered 1182 published on the repeating Official Gazette dated April 18, 2018 and numbered 30395, and according to Article 120 of the Constitution and Article 3/1 of the State of Emergency Law numbered 2935; the ongoing nationwide state of emergency has been extended for a period of three months, being effective from April 19, 2018 Thursday at 01:00.

Turkish Grand National Assembly Decision on Early Election

Pursuant to the decision published on the Official Gazette dated April 20, 2018 and numbered 30397, Turkish Grand National Assembly general elections will be renewed and the election will take place on Sunday June 24, 2018.

Changes to the Electoral Legislations

Following the early election decision of Turkish Grand National Assembly, several amendments have been adopted with the Law on the Amendment of the Law on the Basic Provisions of Elections and Electoral Rolls and Certain Laws numbered 7140, published on the second repeating Official Gazette dated April 25, 2018 and numbered 30402 (the “**Amendment Law**”).

Among other provisions, the highlights of the Law include the following:

- The Constitution of Republic of Turkey states that the membership of parliament terminates with election of President in case the President is elected from the members of Parliament. Now, with the Amendment Law, the Law on the Election of Parliament Members has been amended in a way to clearly outline that same person cannot be nominated as a candidate for both parliament membership and Presidency.
- Pursuant to the amendments with the Amendment Law, to the Law on the Election of the President (the “**Presidency Law**”), in case it is decided to renew the elections, such decision shall be published in the Official Gazette within forty eight hours and the election of both the President and the general Turkish Grand National Assembly shall be made on the first Sunday following the sixth day of such decision.
- According to the Presidency Law, the candidate who has the absolute majority of the valid votes shall become the President. If such majority is not reached in the first poll, a second poll between the two candidates having the highest number of votes shall be made on the second Sunday following the first poll. Before the Amendment, the Presidency Law had stated that if one of the candidates dies or loses eligibility before the second poll, then the second poll shall be made by the substitution of the vacant nomination according to the ranking of the first poll. The Amendment Law now provides that if a candidate cannot participate to the second poll for any reason (not only due to death or loss of eligibility) such substitution shall be applicable. It further sets forth that substitution of the vacant position can only be made until 17:00 on the following date of the announcement of the interim results.

Regulation on the Organization of the Personal Data Protection Authority

Regulation on the Organization of the Personal Data Protection Authority (the “**Regulation**”) has been published on the Official Gazette dated April 26, 2018 and numbered 30403. It has entered into force on the date that it was published.

The Regulation has been adopted pursuant to Article 25 of the Personal Data Protection Law (the “**Law**”) dated March 24, 2016 and numbered 6698 and it aims to determine the organizational structure of the Personal Data Protection Authority (the “**Authority**”), the duties, authorities and the responsibilities, and the working principle and procedures of the service departments within the Authority.

In the Regulation, the duties and authorities of Authority; the organizational structure, the duties and authorities of the Personal Data Protection Board (the “**Board**”); the organizational structure of the Presidency and the position of the President; and the organizational structure and the responsibilities of the Service Unit Directors have been indicated.

The duties and authorities of the Authority include but are not limited to monitoring the national and international developments and legislations, cooperating with the state institutions and organizations if necessary, presenting the annual activity report to the Presidency, Turkish Grand National Assembly Human Rights Investigation Commission and the Prime Minister within the scope of its duty.

On the other hand, the duties and authorities of the Board include but are not limited to (i) ensuring that the processing of data conforms with the fundamental rights and freedoms, (ii) evaluating the complaints of the persons alleging the violation of their rights, (iii) executing ex officio examinations where the violation allegations fall within the scope of its duty, (iv) ensuring the proper functioning of the Data Controllers Registry, (v) determining the principles and procedures for the deletion, destruction and anonymization of personal data, and (vi) determining and declaring the list of the countries with adequate protection for data transfer.

The Regulation allocated to the President duties and authorities such as but not limited to management of the Board meetings, communication of the Board decisions and publication of those that are resolved to be disclosed to public, appointment of certain staff personnel in the offices and the Authority, as well as submission of advice from the Service Units to the Board, preparation of the annual budget and financial statements of the Authority, establishment of working policies and determination of the mandate of the authorized signatories on behalf of the President.

The Service Units of the Authority have been determined as Data Management Department, Examination Department, Legal Department, Data Security and Information Technologies Department; Counselling,

Research and Corporate Communication Department, Human Resources and Support Services Department, and Strategy Development Department.

Additionally, pursuant to the Regulation, internal audit, examination and investigation on the Authority is to be executed by the persons authorized by the President. The Board shall be informed regarding the submission of such operations and their results falling in its scope of duties and authorities.

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This newsletter has been prepared only for information purposes. Please do not hesitate to contact us if you need assistance or more detailed information.

Yours faithfully,
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