

**CIRCULAR**  
**Issue: 2020/229eng.**

**Istanbul, September 18, 2020**  
**Ref: 4/229**

**Subject:**

**THE TERM OF THE ARRANGEMENT PREVENTING CORPORATIONS FROM DISTRIBUTING MORE THAN 25% OF THEIR NET PROFITS IN 2019 AND THE ENTIRETY OF THEIR PROFITS IN PREVIOUS YEARS IS EXTENDED FOR THREE MONTHS (FROM SEPTEMBER 30, 2020 TO DECEMBER 31, 2020).**

The term for the enforcement of Provisional Article 13 of the Turkish Commercial Code has been extended for three months through the Presidential Resolution No. 2948, which was published in the Official Gazette No. 31248 of September 18, 2020.

Accordingly, pursuant to provisional article 13 added by the Law No. 7244 to the Turkish Commercial Code No. 6102;

- All corporations **except for** the corporations more than fifty percent of which is directly or indirectly owned by the state, special provincial administrations, municipalities, villages and other public legal entities and by the funds more than fifty percent of which is owned by public institutions;
- shall not take the following actions **until December 31, 2020.**
- They shall decide to distribute **only up to 25% of their net profits in 2019**, and not distribute the portion exceeding that,
- **They shall not distribute profits from previous years** as well as free reserves,
- The general assembly **shall not authorize** the board of directors **to distribute advance dividends**,
- If a profit distribution resolution was taken by the general assembly for the 2019 accounting period but no payment has been made yet or a partial payment has been made to the shareholders, the **payments** corresponding to the portion exceeding 25% of the net income for 2019 **shall be deferred until December 31, 2020.**

The Communiqué on the Procedures and Principles Regarding the Implementation of Provisional Article 13 of the Turkish Commercial Code No. 6102 was promulgated in the Official Gazette No. 31130 of May 17, 2020. Detailed explanations on the said communiqué were included in our Circular No. 2020/148 of May 18, 2020.

Sincerely,

**DENGE İSTANBUL YEMİNLİ  
MALİ MÜŞAVİRLİK A.Ş.**

**APPENDIX:**

The Presidential Resolution No. 2948

(\*) The remarks in our circular are for informational purposes only. We recommend that the opinion and support of a qualified counsellor be received before establishing final transactions on the questionable matters. Our company shall not be held responsible for any damages to be incurred as a result of transactions to be made solely on the basis of the statements in our circular.

(\*\*) For opinions, criticisms and questions about our circular, you can contact our specialists the contact information of whom is provided below.

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