

Arbitration - Turkey

Istanbul set to become international arbitration centre

Contributed by **Cerrahoğlu Law Firm**

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Establishment of a globally renowned arbitration centre in Istanbul has long been discussed. There is concern over the lack of such an institution despite the increasing use of arbitration as an alternative dispute resolution mechanism in Turkey.

The idea of establishing an international arbitration centre in Istanbul was first officially mooted in the Strategy and Action Plan for the Istanbul International Financial Centre, adopted on September 29 2009 by the Higher Planning Council (which is affiliated with the Ministry of Development).⁽¹⁾

Under the section on reinforcement of the legal infrastructure, "establishment of an independent and autonomous institutional arbitration centre in Istanbul compatible at an international level and effective utilization of the mediation mechanism" was listed as the second-highest priority. The plan stipulated that the centre would be established between 2010 and 2012.

In order to implement the plan, the Ministry of Justice established a working group. Through extensive research on arbitration centres in various jurisdictions around the world, the working group has prepared the draft Law on an Istanbul Arbitration Centre. The draft law was submitted to the Turkish Prime Ministry for approval on March 1 2011 and details the structure of the centre.

According to public sources, the draft law is expected to be sent to Parliament for voting shortly.

The creation of an international arbitration centre in Istanbul is a significant and concrete step towards reinforcing Istanbul's status as an international business centre and will enable it to host an increasing number of international arbitrations, as well as facilitating the use of arbitration as an alternative dispute resolution system in Turkey.

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Endnotes

(1) The action plan was adopted by the Higher Planning Council on September 29 2009 and published in the *Official Gazette* (27364/2009).

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