

Coronavirus Impact on Annual General Assembly Meetings of Turkish Companies

According to the Turkish Commercial Code ("TCC"), annual general assembly meetings of Turkish companies should be held within 3 months following the end of each financial year. Turkish companies with foreign shareholders or board of directors find themselves unable to meet this deadline due to the recent Coronavirus outbreak for the following reasons;

1- According to the TCC, at least one member of the board of directors is personally required to be present at the general assembly meeting. The travel restrictions implemented as a result of the Coronavirus outbreak make it impossible for the member(s) of the board of directors to fly to Turkey.

2- According to the TCC, real person shareholders should attend the general assembly meetings personally and legal entity shareholders should be represented by way of a power of attorney granted to a real person. Such power of attorney should be signed by the authorized representative(s) of such shareholder and notarized and apostilled in accordance with the Hague Convention. This has also been highly restricted currently since most of the public authorities and notary publics in Europe are also negatively impacted by the Coronavirus outbreak.

TCC does allow holding of general assembly meetings outside of Turkey or electronically subject to certain conditions provided that the articles of association of the company explicitly provide for it. However, the Coronavirus outbreak requires specialized measures.

As expected, the Ministry of Trade has issued an announcement on Friday March 20th, 2020 to guide Turkish companies in this respect. Accordingly, Turkish companies are now allowed;

- a) to cancel their annual general assembly meetings, which were previously invited by the respective governing bodies, by a decision to be taken by these governing bodies, without waiting for the general assembly to be held to decide on the postponement of the meeting and/or*
- b) to hold their annual general assembly meetings electronically even if their articles of association do not explicitly provide for it, provided that the articles will be amended to accordingly in the first general assembly meeting to be held following the annual general assembly meeting.*