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Branch and Liaison Offices of Foreign Companies and Registry of Data Controllers (VERBIS)

Turkish Data Protection Board's ("Board") decision (No. 2019/225) is published in summary form on 7th of October which sets forth the criteria for the registration obligation for foreign companies' branch and liaison offices to the Registry of Data Controllers known as VERBIS.

A data controller, either a real or a legal entity, determines the aims of the personal data collection and is in charge of the data registry system's set up and management. The Board states that in determining the data controller, who the decision maker is on the issues such as which personal data will be processed and for what purpose, methods of obtaining personal data, types of personal data to be processed, whose personal data will be processed, whether personal data will be shared, with whom it will be shared and how long it will be kept etc. are significant.

Foreign Companies' Branch Offices in Turkey

The Board focused on the definitions of branch office within Turkish legislation and then referred to the European General Data Protection Regulation which is applicable to data controllers regardless of their location. The Board expressed that the branch offices of foreign companies in Turkey are not regarded as legal persons however, they are registered to the trade registry and may be considered as data controllers if acting in accordance with the criteria mentioned above for data controllers. Furthermore, under the decisions of the Board (No 2018/55 and No 2019/265) the "annual employee number" and the "annual total balance" criteria will be decisive on the eventual obligation to register at the VERBIS for foreign companies' branch offices in Turkey.

Foreign Companies' Liaison Offices in Turkey

Pursuant to the Direct Foreign Investments Law, it is possible to establish a liaison office for foreign companies however, these offices cannot conduct commercial activities. The Board stated that liaison offices of foreign companies have no registration obligation to VERBIS on the ground that they only act for the purposes such as market research, promotion of its goods and services, preparation for possible mergers and acquisitions between companies etc.

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