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## Amendments to Turkish Commercial Code for a Faster Liquidation Process

The Law No. 7341 which is published in the Official Gazette on November 6, 2021 (No. 31651), has decreased the periods mentioned in the Article 543/2 of the Turkish Commercial Code ("TCC", Law No. 6102) to allow a faster liquidation process.

Pursuant to Article 541 of the TCC, persons who are creditors of a company according to the company books and other documents and whose domiciles are known are notified with a registered letter while the other creditors are notified through three announcements to be made at one week intervals in the Turkish Trade Registry Gazette, on the company's website and as stipulated in the company's Articles of Association ("AoA") that the company has been dissolved and they are invited to notify liquidators of their claims.

After the debts of the company in liquidation are paid and the share prices are refunded, the remaining net assets of the company shall be distributed among the shareholders in proportion to the capital they paid and privileged rights unless otherwise stipulated in the AoA. It should be noted that, distribution will be made, three months from the date of the third announcement to the creditors. However, the court may allow the distribution within three months provided that there is no risk for the creditors.

It is important to note that this is not the first change regarding the time periods in the Article. The time period mentioned in the Article 543 was one year when it entered into force in 2012 and it was decreased to six months in 2016.

The legislator's amendments to decrease the one-year period to six months and then to three months is a positive development in terms of accelerating the liquidation process.

Article 543 is regulated among the provisions regarding Joint Stock Companies, but it is also applicable to Limited Liability Companies under references in the TCC.

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