

LAW AMENDING THE EXECUTION AND BANKRUPTCY CODE

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Law No. 4949

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ARTICLE 1. – First paragraph of article 4 of the Execution and Bankruptcy Code 2004 dated 9/6/1932 is hereby amended and shall hereafter read as follows:

“Complaints on and objections against the decisions and proceedings of the execution and bankruptcy offices will be in the jurisdiction of the execution court judge or other judges vested with this jurisdiction by the applicable laws. If and to the extent required, the Ministry of Justice may establish several chambers and units in an execution court with prior approbation of the Higher Board of Judges and Prosecutors, and thereupon, chambers and units of the execution court will be serially numbered. Principles of distribution of files among the chambers and units of the execution court will be determined by the Higher Board of Judges and Prosecutors. Each execution court judge will have jurisdiction on complaints on and objections against the decisions and proceedings of the execution and bankruptcy offices which are affiliated to him in rotation by decisions of the Judiciary Power Justice Commission, and will accordingly supervise and audit them, and will deal with the administrative affairs in connection therewith.”

ARTICLE 2. - First sentence of first paragraph of article 13 of the Code 2004 is hereby amended and shall hereafter read as follows:

“Execution and bankruptcy offices are under continuous and permanent supervision and control of the execution court judge in accordance with the principles envisaged in article 4 hereof.”

ARTICLE 3. – The following paragraph is hereby added to article 14 of the Code 2004:

“The Supreme Court of Appeals shall regularly publish all of its decrees relating to execution and bankruptcy files, and the principles in connection therewith will be set down in a regulation to be issued by the Supreme Court of Appeals.”

ARTICLE 4. – Third paragraph of article 18 of the Code 2004 is hereby amended and shall hereafter read as follows:

“Unless otherwise specifically provided, the execution court decides in its discretion whether a statement is required to be taken from the execution office against which the complaint is lodged, or not, and whether a hearing is needed or not, and if a hearing is deemed necessary, the court invites the sides to a hearing as soon as possible, and takes and pronounces its judgment, irrespective of presence or absence of the sides in the hearing. If a hearing is deemed unnecessary, the execution court

takes and pronounces its judgment within no later than ten days following referral of the dispute to the court. Hearings may be deferred by not more than thirty days and only in the case of necessity.”

ARTICLE 5. – Second paragraph of article 23 of the Code 2004 is hereby amended and shall hereafter read as follows:

“The term ‘Chattel Mortgage’ refers to pledges in personal property conditioned upon delivery thereof, and pledges specified in article 940 of the Turkish Civil Code, and commercial enterprise pledges, and rights of lien, and pledges on receivables and other rights of claim.”

ARTICLE 6. – In the last sentence of forth paragraph of article 24 of the Code 2004, the phrase “as of the date of start of execution proceeding” is hereby changed to and replaced by the phrase “as of the date the attachment is levied”.

ARTICLE 7. – The following article 25/b is hereby added after article 25/a of the Code 2004:

“Making available a specialist for enforcement of court decrees ordering delivery of child and establishment of personal contact with child:

ARTICLE 25/b.– Court writs ordering delivery of child and establishment of personal contact with child shall be enforced by a social worker, pedagogist, psychologist or child development specialist appointed or assigned by the Social Services and Child Protection Society, or in their absence, by an educationalist, together with the execution office manager.”

ARTICLE 8. – Last sentence of forth paragraph of article 26 of the Code 2004 is hereby amended and shall hereafter read as follows:

“the amount in excess, if any, shall be deposited in the name of the debtor in one of the banks designated as specified and qualified in the regulation to be adopted and issued by the Ministry of Justice.”

ARTICLE 9. – Heading of article 30 of the Code 2004 is hereby amended as “Writs Ordering Performance or Non-Performance”, and the following last paragraph is hereby added to that article:

“If, after fulfillment of a writ of execution for performance or non-performance, the debtor takes an action in violation of the writ of execution, the original writ of execution shall be enforced compulsorily without any further or separate writ or commandment from the court.”

ARTICLE 10. – In the second sentence of article 32 of the Code 2004, the phrase “.... (the debtor) will be sentenced to imprisonment” is hereby changed to and replaced by the phrase “.... (the debtor) will be sentenced to imprisonment, and if he does not make a declaration of property....”

ARTICLE 11. – Fifth paragraph of article 44 of the Code 2004 is hereby amended and shall hereafter read as follows:

“Upon receipt of the declaration of property, the concerned authority will inform the land or ship registers and the Turkish Patent Institute; and thereupon, an annotation of restriction of the rights of assignment for a period of two months will be entered and recorded in the relevant register, and it is separately reported to the Turkish Bankers’ Association.”

ARTICLE 12. – Sub-paragraph (3) of second paragraph of article 58 of the Code 2004 is hereby amended and shall hereafter read as follows:

“(3) Amount in Turkish currency of the debt or the security requested, and in the case of interest-bearing debts, amount of interests and the first day of accrual of interests, and if the debt or the security is in foreign currency, the date of exchange rate applicable on the claim, and the amount of interests;”

ARTICLE 13. – Second sentence of first paragraph and second paragraph of article 62 of the Code 2004 are hereby amended and shall hereafter read as follows, and the following paragraph is hereby added after the second paragraph, and other paragraphs are renumbered accordingly:

“If a bill of exception (petition of objection) is delivered to an execution office other than the execution office where the execution proceeding is pending, that execution office will receive the bill of exception and collect the related costs and fees and promptly transmit the bill of exception to the competent execution office; and the related execution officer will be held personally liable for the costs and fees not collected as above.”

“A copy of bill of exception will be sent to and served on the creditor with a memorandum within three days, and the cost of service of process will be paid out of the advance funds deposited by the creditor pursuant to article 59 hereof.”

“The debtor or his attorney is under obligation to designate, with the bill of exception, an address of the debtor within the borders of Turkey for the notices and subpoenas in the course of lawsuit and legal proceedings. If the debtor changes his notice address but fails to designate a new address within the borders of Turkey, and the officer in charge of service of process fails to find out his new address within the borders of Turkey, all notices, writs and subpoenas delivered to the address shown in the bill of claims will be deemed to have been validly and duly served on the debtor.”

ARTICLE 14. – Article 63 of the Code 2004 is hereby amended and shall hereafter read as follows:

“Article 63.– Except for the exceptions clearly derived out of the text of the bill of exchange relied upon by the creditor, the objecting debtor can, in the hearing for dismissal of objections, not change or expand the causes of his objections.”

ARTICLE 15. – Heading, sub-heading and first paragraph of article 67 of the Code 2004 are hereby amended and shall hereafter read as follows:

“6- Invalidation of Objection:

a) Cancellation of Objection:

Upon objection to his bill of claims for an execution proceeding, the creditor may, within one year after receipt of the bill of exception, go to the court and claim cancellation of objection by proving existence of the claimed debt in accordance with general law provisions pertaining thereto.”

ARTICLE 16. – Heading, first paragraph and first sentence of last paragraph of article 68 of the Code 2004 are hereby amended and shall hereafter read as follows:

“b) Final Dismissal of Objection:

If the disputed and objected execution proceeding of the creditor is relied upon a debt admission document bearing an acknowledgement of signature or certified by a notary public or upon a receipt or certificate duly issued by official authorities or other authorized bodies within their limits of authorization, the creditor may, within six months after receipt of the bill of exception, request dismissal of the objection. If dismissal of the objection is not requested by the end of this period, the creditor cannot restart an ‘execution proceeding without an official deed’ as a direct estoppel.

If the request for dismissal of the objection is accepted and honored for reasons as to the merits of the case, the debtor shall be sentenced to pay an indemnity being not less than forty percent of the claimed amount, and if the request for dismissal of the objection is refused for the same reasons, the creditor shall be sentenced to pay an indemnity being not less than forty percent of the claimed amount, upon demand of the other side.”

ARTICLE 17. – Heading and first paragraph of article 68/a of the Code 2004 are hereby amended and shall hereafter read as follows:

“c) Temporary Dismissal of Objection:

If the execution proceeding is relied upon an unofficial document and the debtor denies signature at the time of objection, the creditor may, within six months after receipt of the bill of exception, request dismissal of the objection temporarily, and in this case, the execution court judge will hear both sides and take their statements.”

ARTICLE 18. – Last sentence of first paragraph of article 68/b of the Code 2004 is hereby amended and shall hereafter read as follows, and in the second paragraph thereof, the word “... receipt” is hereby replaced by the word “... dispatch”, and in the third paragraph thereof, “the phrase “notices and” is hereby added after the words “account statements and”, and the following paragraph is hereby added after the third paragraph.

“Change in the address shown in the agreement becomes effective only if and after a notice designating a new address within the borders of Turkey is duly sent to the lender via a notary public, and if a new address is not designated and notified as above, the date of receipt of the account statement at the former address will be deemed and treated as the date of delivery of the account statement.”

“An objection of the borrower to the contents of a notice relating to balancing and closing of the credit account or repayment of the debt does not preclude the results of non-objection to the contents of account statements relating to interest accrual periods which have been delivered and served prior to the notice relating to balancing and closing of the credit account or repayment of the debt and have become final upon non-objection thereto. In this case, the provisions of second paragraph hereof will be applicable on the finalized account statements of the previous interest periods.”

ARTICLE 19. – The following sentence is hereby added to second paragraph of article 79 of the Code 2004:

“The properties registered in an official registry may also be attached directly by the execution office hearing the execution proceeding, by having such attachment entered into the said registry.”

ARTICLE 20. – In the first sentence of second paragraph of article 85 of the Code 2004, the phrase “or the persons possessing the properties jointly with the debtor” is hereby added immediately after the words “the debtor”, and the phrase “or to the persons possessing the properties jointly with the debtor” is hereby added immediately after the words “to the debtor”.

ARTICLE 21. – The following sentences are hereby added at the end of second paragraph and after the first sentence of third paragraph of article 88 of the Code 2004, and the forth and fifth paragraphs thereof are hereby amended and shall hereafter read as follows:

“When the movable properties possessed by a third person are attached, the properties will be left in custody to the third person as a trustee thereof, upon consent of the creditor and agreement of the third person.”

“Movable properties covered by a commercial enterprise pledge can be seized and taken under custody only after the execution office decides to sell them.”

“The Ministry may open and run warehouses and garages at sites deemed necessary and appropriate for protection, custody and safeguarding of the distrained properties, or may authorize the Justice Ministry Organization Support Foundation to open and run such warehouses and garages.”

“The execution office will, ex officio, request the relevant persons to remove and retake the possession of the distrained properties which are kept in customs in the warehouses or garages or by third persons as trustee thereof, and are no more legally required to be kept in custody, within a reasonable period to be granted by the execution office. If the distrained properties are not removed and taken back by the end of this period, the execution office manager will, by a decree of the execution

court, sell the distrained properties in accordance with the law provisions pertaining to sale of movable properties. First, the expenses of custody, trustee and sale will be paid out of the proceeds of sale, and the balance will be kept in custody pursuant to the provisions of article 9. Any disputes in connection therewith will be referred to and resolved by the execution court in simple trial procedures.”

ARTICLE 22. – Third paragraph and last sentence of fifth paragraph of article 89 of the Code 2004 are hereby amended and shall hereafter read as follows:

“If the third person fails to object to the warrant of distraint within seven days of the date of receipt, the properties will be deemed to be in his possession and the debts will be deemed to be under his responsibility, and a second warrant of distraint will be sent to him, stating that he has not raised a timely objection to the first warrant of distraint and therefore, the properties are deemed to be in his possession and the debts are deemed to be under his responsibility. It will further be stated in this second warrant of distraint that the recipient third person may raise an objection for the reasons set forth in the second paragraph within seven days of receipt of the second warrant of distraint, or otherwise, he is requested to pay to the execution office the debts deemed to be under his responsibility or to deliver to the execution office the properties deemed to be in his possession. If the third person does not raise a timely objection to the second warrant of distraint and does not pay to the execution office the debts deemed to be under his responsibility or does not deliver to the execution office the properties deemed to be in his possession, the third person will be warned by a further notice that he should pay the debts and deliver the properties to the execution office within fifteen days or alternatively, he should apply to the court for a declaratory judgment for determination of non-existence of debt, or otherwise, legal compulsory force will be applied to force him to deliver the properties deemed to be in his possession or to pay the debts deemed to be under his responsibility, as the case may be. If the third person, within twenty days after receipt of this notice, delivers to the relevant execution office a proof evidencing that an application for a declaratory judgment for determination of non-existence of debt has been timely made to the competent court in the location of execution proceeding or in his residence place, the pending legal compulsory forced proceedings will be suspended until a final declaratory judgment is taken by the court. The periods referred to in article 106 will not count during this period of suspension. In this legal proceeding for declaratory judgment, the third person is obliged to prove that he does not owe to the debtor or the properties are not owned by the debtor. If the third person loses this lawsuit, the court will sentence him to pay an indemnity not less than forty percent of the amount in dispute. The legal proceedings for declaratory judgment for determination of non-existence of debt that may be brought forward under this paragraph are subject to a fixed court fee.”

“In any case, the third person may sue to the debtor and the bad faith creditor for refund of the money which he is forced to pay or for restitution of the properties which he is forced to deliver.”

ARTICLE 23. – The following paragraph is hereby added at the end of article 91 of the Code 2004:

“In the case of change of ownership of the distrained properties, the provisions of article 148/a shall be applicable.”

ARTICLE 24. – Third paragraph of article 92 of the Code 2004 is hereby amended and shall hereafter read as follows:

“The execution office will take all actions and measures deemed necessary and advisable for management and operation of the real estate and for protection of its annexes. Accordingly, if the real estate is under tenancy, the execution office will order the tenant to pay the future rentals to the execution office. Upon demand of the pledgee creditor, in order to avoid any probable damages, the annexes of the real estate will be safeguarded and protected so as not to prejudice the operations therein. Costs of administration and safeguarding will be paid out of the proceeds of sale with priority.”

ARTICLE 25. – Third sentence of first paragraph of article 94 of the Code 2004 is hereby deleted, and the following sentences are added after second sentence thereof:

“If share certificates or temporary share certificates have not been issued for the capital shares of a joint-stock company, the capital shares held and owned by the debtor will be distrained and sequestered by a notice of the execution office to the company. The distraint of shares is required to be recorded in the share book of the company; providing, however, that the shares are considered to have been distrained and sequestered as of the date of receipt of the notice by the company even if the distraint of shares is not recorded in the share book. Then, the distraint of shares will be reported by the execution office to the Trade Registry for registration therein. Thereafter, transfer of the distrained and sequestered shares will be null and void if and to the extent such transfer infringes the rights of the creditor. Sale of the distrained and sequestered shares is subject to the same procedures with sale of the movable properties. As for the other movable properties, the execution office will take actions and measures in order to prevent transfer of them to third persons.”

ARTICLE 26. – Third paragraph of article 111 of the Code 2004 is hereby amended and shall hereafter read as follows:

“The periods referred to in articles 106 and 150/e will not count until the end of the term of contract or contracts signed in the execution office by and between the debtor and the creditor for repayment of the debt in installments. However, if and to the extent the total term of the said contract or contracts exceeds ten years, these periods will resume as of the end of ten years.”

ARTICLE 27. – First paragraph of article 114 of the Code 2004 is hereby amended and shall hereafter read as follows, and the following sentence is hereby added to the second paragraph thereof:

“Sales will be realized by public auction. Place, date and time of first and second public auctions will be announced and proclaimed to public in advance.”

“If it is decided to publish the public announcement in a nationwide newspaper, the announcement will be published in one of the first five newspapers with the highest nationwide circulation as of the date of request for sale.”

ARTICLE 28. – In the second sentence of first paragraph of article 115 of the Code 2004, the phrase “75%” is hereby changed to and replaced by the phrase “sixty percent”.

ARTICLE 29. – First paragraph of article 116 of the Code 2004 is hereby amended and shall hereafter read as follows:

“Second auction will be held in the fifth day after the first auction. If the fifth day after the first auction coincides with an official holiday, second auction will be held in the first business day following the official holiday. Provisions of article 114 are applicable also on the second auction.”

ARTICLE 30. – Third sentence of first paragraph of article 118 of the Code 2004 is hereby amended and shall hereafter read as follows:

“The sold properties will not be delivered physically until the award becomes final.”

ARTICLE 31. – Sub-paragraph (5) of article 119 of the Code 2004 is hereby amended and shall hereafter read as follows:

“5) If the estimated value of the distrained property does not exceed one billion lira.”

ARTICLE 32. – In sub-paragraph (3) of second paragraph of article 126 of the Code 2004, the phrase “seventy-five percent” is hereby changed to and replaced by the phrase “sixty percent”, and in the same sub-paragraph, the phrase in parentheses is hereby changed to and replaced by the following phrase: “If the tenth day coincides with an official holiday, it is obligatory to determine the first business day following the end of the official holiday as the date of second auction and to clearly show in the announcement the place, date and time of second auction.”

ARTICLE 33. – The following sentence is hereby added after the first sentence of second paragraph of article 128 of the Code 2004, and the following paragraph is hereby added after the second paragraph thereof:

“If any encumbrance affecting the preassessed value of the real estate is found out, the execution office will have the value of the real estate reassessed for sale purposes.”

“In the case of subsidized annexes of the real estate offered for sale, the execution office will have the value of such annexes assessed separately. Before the sale, the execution office will request information from the relevant authorities about the financial obligations such as taxes, duties and funds on these properties. Upon demand of the creditor requesting the sale, these properties may be excluded from the sale, or alternatively, they may be offered for sale together with the real estate in accordance with the provisions of article 129 by taking into consideration the public debts such as taxes, duties and funds arising out of the ownership of properties.”

ARTICLE 34. – The following article 128/a is hereby added after article 128 of the Code 2004:

“Complaints on value assessment:

ARTICLE 128/a- Within seven days after receipt of the value assessment report, the relevant persons may file a bill of complaints to the execution court having jurisdiction in venue in the location of the execution office issuing the report. In this case, if the required costs and fees are deposited to the court within seven days after the date of complaint, a new expert survey and inquiry may be ordered, or otherwise, the complaint will be finally dismissed and refused without any further formality.

A new value assessment cannot be demanded before the end of one year following the date of the finalized value assessment. However, a new value assessment may be demanded immediately upon occurrence of natural disasters or similar other events leading to substantial changes in the municipal development and reconstruction plan.

If the bill of complaints against value assessment is filed to a non-competent execution court, the non-competent execution court will, within no later than ten days following the date of filing, make a disclaimer of jurisdiction upon examination of the case file.

Orders and judgments of the execution court taken pursuant to this article shall be final.”

ARTICLE 35. – In first paragraph of article 129 of the Code 2004, the phrase “seventy-five” is hereby changed to and replaced by the phrase “sixty”.

ARTICLE 36. – In second sentence of article 130 of the Code 2004, the phrase “twenty days” is hereby changed to and replaced by the phrase “ten days”.

ARTICLE 37. – In second sentence of first paragraph of article 133 of the Code 2004, the phrase “to the first paragraph of” is hereby changed to and replaced by the phrase “to the conditions sought for in”, and in fifth sentence thereof, the phrase “in the second paragraph of the article” is hereby changed to and replaced by the phrase “in the article”.

ARTICLE 38. – The following sentence is hereby added to first paragraph of article 134 of the Code 2004, and in the first sentence of second paragraph, the phrase “providing that they designate an address within the borders of Turkey” is hereby added after the word “bidders”, and the following sentence is hereby added at the end of second paragraph, and the following third and fourth paragraphs are hereby added after second paragraph, and the subsequent paragraphs are renumbered accordingly.

“The execution office decides the method of administration and safeguarding of the real estate applicable until the award becomes final.”

“If the court does not enter into merits of the case and the complaint is dismissed and refused for that reason, no fine will be inflicted.”

“If the complaint for cancellation of auction sale is filed to an execution court or other juridical court which does not have jurisdiction in subject matter or in venue, then the execution court or other juridical court, as the case may be, will, within maximum ten days, make a disclaimer of jurisdiction in subject matter or in venue upon examination of the case file. Such disclaimers shall be final.”

“Even if a complaint is filed for cancellation of auction sale, the purchaser of the real estate, providing that he has not bid in the auction for deduction of the sale price from the outstanding debts owed by the owner to him, is obliged to pay the sale price in cash immediately or by the end of the period to be granted according to article 130 hereof. The execution office manager will deposit the paid sale price in interest-bearing bank accounts until the order or judgment relating to the complaint for cancellation of auction sale becomes final. When the court order or judgment accepting or dismissing the complaint for cancellation of auction sale becomes final, the sale price will be paid or refunded to the relevant persons together with interests thereof.”

ARTICLE 39. – The following article 142/a is hereby added after article 142 of the Code 2004:

“Payment Against Guarantee:

ARTICLE 142/a.– If a bill of complaints or a bill of exceptions is filed against the list of collocation, each creditor who receives the notice and is named in the list of collocation may collect his share by filing to the execution office a final letter of guarantee received from a bank. The provisions of second paragraph of article 36 are also applicable.

In the letter of guarantee, the issuing bank must agree and undertake to pay to the execution office upon first written demand of the execution office both the amount collected by the creditor from the execution office as above, and the interests accrued thereon until the date of repayment, if and when that amount is required to be repaid and refunded to the execution office fully or partially. The amount to be guaranteed by a letter of guarantee pursuant to the above principles will be determined by the execution office.”

ARTICLE 40. – First and sixth paragraphs of article 143 of the Code 2004 are hereby amended and shall hereafter read as follows and the following paragraph is also added to the article:

“If the debt is not recovered fully to the creditor and the conditions precedent of certificate of insolvency are satisfied, the execution office will promptly issue and deliver a certificate of insolvency for the balance of debt to the creditor, with a copy thereof to the debtor. The certificate of insolvency is exempt from all taxes and duties. A copy of the certificate of insolvency will be sent to an execution office appointed in each city center by the Ministry of Justice for registration in a special registry kept by that execution office. Registry of certificates of insolvency is open to public, and the contents and the method of keeping of this registry will be regulated by a regulation to be adopted and issued by the Ministry of Justice.”

“This debt becomes a prescriptive debt against the debtor upon lapse of twenty years following the date of the certificate of insolvency. If the creditor fails to claim payment of the debt within one year following the date of partition of inheritance, the heirs of the debtor may plead invalidation of debt by prescription.”

“The debtor may at any time pay his debt together with the accrued interests to the execution office issuing the certificate of insolvency. Upon this payment, the execution office will pay the money to the creditor or if required, deposit the money to a bank account in accordance with the provisions of article 9 hereof. Upon full payment of the debt as above, the certificate of insolvency will be deleted from the registry, and the debtor will be given a document verifying that the debt is fully paid and the certificate of insolvency is deleted from the registry. Likewise, if and when the execution proceeding is null and void or is cancelled or it is proven by a final court judgment that the debtor is not indebted or the creditor withdraws and waives from the execution proceeding, the certificate of insolvency will be deleted from the registry, and a document of proof will be given to the debtor.”

ARTICLE 41. – The following article 148/a is hereby added after article 148 of the Code 2004:

“Obligation to Designate Address:

ARTICLE 148/a. – Parties to a mortgage deed/contract or subsequent purchasers of the mortgaged real estate or their successors are under obligation to designate a notice address within the borders of Turkey to the land registry, or otherwise, their demand of registration will be refused and dismissed by the land registry.

Change of address becomes effective only if and when it is duly notified to the land registry. In the case of failure in notification of the new address, all notices and correspondences will be deemed to be validly and duly received as of the date of delivery at the former address.”

ARTICLE 42. – The following sentence is hereby added after first sentence of article 150/b of the Code 2004:

“providing, however, that such process does not prejudice to the rights arising out of articles 132 and 135.”

ARTICLE 43. – Article 150/i of the Code 2004 is hereby amended and shall hereafter read as follows:

“Article 150/i.- Even if the mortgage deed submitted and filed by the lender of a cash or non-cash credit operating in the form of a current account payable or in the form of a short, medium or long-term credit does not contain an unconditional admission of pecuniary debt, in the event that the lender furnishes to the execution office manager a notary-certified copy of a proof evidencing that an account statement containing a notice of closing and balancing of current account of the borrower or a notice of acceleration of short, medium or long-term credit account of the borrower or notice of demand of reimbursement of the non-cash credit paid by the lender or a notice of demand of repayment of the debt has been served on the borrower through a notary

public by delivery to the borrower's address given in the credit agreement or address shown on the mortgage deed or is deemed to have been duly served on the borrower pursuant to article 68/b hereof, the execution office manager will apply the provisions of article 149. Provided, however, that the borrower retains and reserves his right to file a bill of complaints to the execution court by proving that he has raised objection through a notary public to the said account statement or notice of demand of repayment of debt or notice of demand of reimbursement of the non-cash credit paid by the lender within eight days after the date it is delivered or deemed to have been delivered to the borrower pursuant to article 68/b hereof. In this case, if the lender proves existence of the debt with supporting documents in accordance with article 68/b, the bill of complaints of the borrower will be refused and dismissed. In the course of trial in the execution court, 'stay of execution proceeding' cannot be ordered unless and until the debtor submits and files an official document or a signature-admitted or certified document verifying that the debt is terminated or deferred. Delivery or deemed delivery of account statement, demand of reimbursement or notice of repayment to a mortgaged real estate owner third person will constitute a demand of payment as defined and specified in article 887 of the Turkish Civil Code."

ARTICLE 44. – In second sentence of second paragraph of article 166 of the Code 2004, the phrase "at the date of adjudication of bankruptcy" is hereby added after the phrase "adjudication of bankruptcy", and in second and third sentences thereof, the words "trajı" is corrected as "tirajı" (Translator's note: it is correction of a spelling mistake, and this word means 'circulation').

ARTICLE 45. – Sub-paragraph (6) of first paragraph of article 168 of the Code 2004 is hereby amended and shall hereafter read as follows:

"6. Notice warning the debtor that if no objection is raised and the debt is not repaid, the debtor should make a declaration of property within ten days according to article 74, and if an objection is raised, but dismissed, the debtor should make a declaration of property within three days according to article 75, and that if the debtor fails to make a declaration of property as above or makes an untrue declaration of property, he will separately be penalized by imprisonment;"

ARTICLE 46. – First and second paragraphs and first sentence of sixth paragraph of article 169/a of the Code 2004 are hereby amended and shall hereafter read as follows:

"The execution court judge will summon both sides to appear before the court within no later than thirty days for investigation of the causes of objection. If it is proven by an official document or a signature-admitted or certified document that the debt does not exist or has already been redeemed or deferred, the judge will accept and honor the objection at the end of the trial. The execution court judge will give the required order or judgment even if the sides do not appear in the hearing for investigation of the objection on jurisdiction."

"If the execution court judge concludes in reliance upon the documents enclosed to the bill of exceptions of the debtor that the debt has already been redeemed or deferred, or the underlying bill of exchange is statute-barred or the debtor does not owe any debt or the execution office does not have jurisdiction in venue, the judge

may order ‘temporary stay of execution proceeding’ until a judgment is made on the merits of the objection.”

“If the bill of exceptions of the debtor is accepted and honored by the execution court for reasons pertaining to merits of the case, and if the bad faith or gross negligence of the creditor is proven, the creditor will, upon demand of the debtor, be sentenced to pay an indemnity not less than twenty-percent of the amount of claim, and if the execution proceeding is temporarily stayed and the bill of exceptions of the debtor is later refused and dismissed, the debtor will, upon demand of the creditor, be sentenced to pay an indemnity not less than forty percent of the amount of claim.”

ARTICLE 47. – Third paragraph and first sentence of fourth paragraph of article 170 of the Code 2004 are hereby amended and shall hereafter read as follows:

“As a result of the investigation to be conducted in accordance with fourth paragraph of article 68/a, if the execution court concludes that the denied signature is not the signature of the debtor, the court will honor and accept the objection, and acceptance of the objection will stop the execution proceeding. Right of action of the creditor according to the general law provisions is, however, reserved. If the denied signature is proven to be the signature of the debtor and if the execution proceeding has been stopped and suspended upon objection according to second paragraph, the debtor will be sentenced to pay an indemnity for denial of signature in an amount not less than forty percent of the amount of claim relying upon the underlying bill of exchange, plus a fine equal to ten percent of the amount of claim, and the objection will be refused and dismissed. If the debtor applies to the court for a declaratory judgment (relief) for determination of non-existence of debt or brings forward an action of restitution, collection of the indemnity and fine will be stopped and deferred until a final court judgment is taken, and if the debtor wins the case, the previous judgment for indemnity and fine will be abated and extinguished.”

“If the execution court decides to honor and accept the objection, and if the creditor’s bad faith or gross negligence is proven in starting the execution proceeding for collection of the bill of exchange, the court will sentence the creditor to pay an indemnity in an amount not less than twenty percent of the amount of claim relying upon the bill of exchange, and a fine equal to ten percent of the amount of claim.”

ARTICLE 48. – Article 170/b of the Code 2004 is hereby amended and shall hereafter read as follows:

“Article 170/b. – Provisions of second, third, fourth and fifth paragraphs of article 61 and articles 62 to 72 will, to the extent they do not conflict with the provisions of this section, be applicable also on the execution proceedings for attachment relying upon bills of exchange and negotiable instruments.”

ARTICLE 49. – Article 179 of the Code 2004, together with its heading, is hereby amended and shall hereafter read as follows:

“ Bankruptcy of Capital Companies and Cooperative Societies:

Article 179. – If and when it is declared by the management and representative bodies or if the company or the cooperative society is in liquidation, by its liquidators or a creditor, or it is determined by the competent court that the liabilities of the capital company or the cooperative society are more than its assets, the capital company or the cooperative society will be adjudged bankrupt without a prior bankruptcy proceeding. Provided, however, that any one of the management and representative bodies or the creditors may demand adjournment of adjudication of bankruptcy by filing to the court a project of recovery proving that the company or the cooperative society may be recovered. If the project of recovery is found serious and persuasive, the court will adjourn adjudication of bankruptcy. Information and documents proving that the project of recovery is serious and persuasive must also be presented to the court.

The court may, if deemed necessary, hear the management and representative bodies and the creditors. Demands for adjournment of adjudication of bankruptcy will be tried with priority and as a matter of urgency.”

ARTICLE 50. – The following articles 179/a and 179/b are hereby added after article 179 of the Code 2004:

“Measures of Adjournment:

ARTICLE 179/a. – Upon adjournment of adjudication of bankruptcy, the court will take all kinds of measures required for protection of properties and assets of the company or the cooperative society by also considering the project of recovery.

In its order for adjournment of adjudication of bankruptcy, the court will decide to appoint a receiver. The court may either divest the management body of all of its powers and authorities and delegate the same to the receiver, or may only judge that all acts and decisions of the management body will be valid and enforceable only if and when they are approved by the receiver.

In the order for adjournment of adjudication of bankruptcy, the duties, functions and powers of the receiver will be shown in details.

The court will pronounce the judgment section of its order for adjournment of adjudication of bankruptcy and send the required notices and writs in accordance with the procedures defined in second paragraph of article 166.“

“Effects of Order for Adjournment:

ARTICLE 179/b. – Upon an order for adjournment of adjudication of bankruptcy, no proceeding, including but not limited to the proceedings under the Code 6183, can be initiated against the debtor, and the pending proceedings will be stopped and stayed, and the limitation/prescription periods and the time limits of forfeiture which may be suspended by a legal proceeding will not continue to be counted.

During the period of adjournment, for collection of the debts secured and backed by a real property mortgage, chattel mortgage or commercial enterprise pledge, a legal proceeding for realization of mortgage or pledge may be initiated or the pending legal

proceedings may be continued; provided, however, that conservatory measures such as seizure for security cannot be taken and the pledged or mortgaged property cannot be sold out. However, in this case, the interests which will continue to be accrued during the period of adjournment, but cannot be covered and paid by the existing mortgage or pledge are required to be separately securitized.

Execution proceedings for attachment can be initiated for collection of the debts listed in the first rank in article 206.

Maximum period of adjournment is one year. This period may be extended further by one year by considering the report of the receiver. The receiver will regularly file reports to the court about his activities and the situation of the company or society, in intervals to be determined by the court.

Upon dismissal of a demand for adjournment of adjudication of bankruptcy or if it is determined at the end of the period of adjournment that recovery is not possible, the court will adjudicate the company or the cooperative society bankrupt. Furthermore, at any time during the period of adjournment if the court concludes upon reports of the receiver that it is not possible to improve and recover the financial situation of the company or the cooperative society, the court may abate the order for adjournment and adjudicate the company or the cooperative society bankrupt.”

ARTICLE 51. – The following sentence is hereby added to first paragraph of article 185 of the Code 2004:

“However, the pledgee creditor may in his sole discretion start a legal proceeding for realization of pledge against the bankruptcy estate (trustee) also after bankruptcy.”

ARTICLE 52. – Forth paragraph of article 206 of the Code 2004 is hereby amended and shall hereafter read as follows and the following paragraph is hereby added to that article:

“Debts that are secured, but not covered by the pledge, or debts that are unsecured will be registered in the list for payment in the following order out of the proceeds of sale of the properties included in the bankruptcy estate:

First rank:

- A) Debts owed to the workers and employees arising out of the employment relation, including, but not limited to, their notice and seniority (severance) pays and accrued during one year prior to start of bankruptcy, and their notice and seniority (severance) pays accrued upon termination of employment relation due to bankruptcy; and
- B) Debts owed by employers to the societies or premises, having a separate legal personality, established for the purpose of foundation or support of the relief funds or other relief agencies or organizations for the workers and employees; and

C) All kinds of maintenance allowances and alimonies arising out of the family law, required to be paid in cash and accrued during one year prior to start of bankruptcy.

Second rank:

All kinds of debts, arising out of guardianship or tutelage, owed to the persons whose properties are in custody and under management of the debtor due to guardianship or tutelage.

However, these debts will be considered and treated as privileged debts if the bankruptcy proceeding is started during the period of guardianship or tutelage or during the year immediately after the end thereof. The period of a lawsuit or legal proceeding will not be counted in this respect.

Third rank:

Debts defined and specified as privileged debts in the special laws pertaining thereto.

Forth rank:

All other non-privileged debts.

The following periods will not be taken into consideration in calculation of the periods relating to the first and second ranks:

- 1) The concordat (composition) period lapsed prior to start of bankruptcy, also including the time granted;
- 2) The period of adjournment of adjudication of bankruptcy;
- 3) The period of the pending action of debt; and
- 4) The period from the date of death to the date of the order of liquidation, in the case of liquidation of estate in accordance with the bankruptcy law provisions.

ARTICLE 53. – Article 222 of the Code 2004, together with its heading, is hereby amended and shall hereafter read as follows:

“Non-existence of Meeting or Decision Quorum:

Article 222. – If a meeting of creditors cannot be organized or the decision quorum is not reached therein, the situation will be noted, and in this case, the bankruptcy office will manage the bankruptcy estate and initiate the liquidation process until the second meeting of creditors.”

ARTICLE 54. – Third paragraph of article 223 of the Code 2004 is hereby amended and shall hereafter read as follows:

“Meetings of bankruptcy administration will be held by a call of the bankruptcy office manager no later than seven days prior to the date of meeting upon demand of the bankruptcy commissioners or any creditor, showing also the proposed agenda of the meeting. Bankruptcy administration will take its decisions by a majority vote; provided, however, that if the meeting is not attended by all of the three bankruptcy commissioners, the bankruptcy office manager will stand and serve as bankruptcy administration and in his sole discretion will individually take decisions in the name and on behalf of the bankruptcy administration. If the meeting is attended by one or two of the bankruptcy commissioners, the bankruptcy office manager will also attend the meeting. If a decision cannot be taken, discretion and vote of the bankruptcy office manager will prevail. Creditors who apply to and are registered in the bankruptcy estate may demand notification of all decisions of the bankruptcy administration to them by designating a notice address and paying an advance for the clerical and notification expenses shown in a tariff to be adopted and issued by the Ministry of Justice. Period for remedies against decisions of the bankruptcy commissioner (trustee) in respect of the creditors will start to count as of the date of notification of the relevant decisions to the creditors.”

ARTICLE 55. – In second paragraph of article 226 of the Code 2004, the phrase “two hundred thousand” is hereby changed to and replaced by the phrase “two billion”.

ARTICLE 56. – Article 239 of the Code 2004, together with its heading, is hereby amended and shall hereafter read as follows:

“Non-existence of Meeting or Decision Quorum:

Article 239. – If a meeting of creditors cannot be organized or the decision quorum is not reached therein, the situation will be noted, and in this case, the bankruptcy administration will continue the process until the liquidation process is closed.”

ARTICLE 57. – Article 250 of the Code 2004 is hereby amended and shall hereafter read as follows:

“Article 250. – Distribution will be started at the end of the period of custody referred to in the preceding article. In the case of a complaint, distribution may be deferred to the extent of probable effects of decision to be taken upon that complaint on the distribution. Provisions of article 144 are also applicable. Distribution shares reserved for the debts subject to a suspensive condition (condition precedent) or an indefinite (uncertain) maturity shall be governed by the provisions of article 9.”

ARTICLE 58. – First sentence of second paragraph of article 251 of the Code 2004 is hereby amended and shall hereafter read as follows and the following sentence is hereby added to the same paragraph:

“Without prejudice to the provisions of article 196, a certificate of insolvency will lead to the legal results mentioned in article 143.”

“The properties on which rights are granted to a third person, but which are actually under disposition of the bankrupt, with a view to enabling the bankrupt to raise an

exception of non-acquisition of new properties will be considered and treated as newly acquired properties, if the third person knows or is normally expected to know this situation.”

ARTICLE 59. – Heading of article 257 of the Code 2004 is hereby revised as the “conditions of sequestration (provisional distraint), and in first paragraph thereof, the word “debt” is changed to and replaced by the words “pecuniary debt”, and in subparagraph (2) of second paragraph, the phrase “(if the debtor) evades justice” is hereby changed to and replaced by the phrase “(if the debtor) evades justice or to this end, makes fraudulent acts and transactions inflicting on the rights of the creditor”.

ARTICLE 60. – The following paragraph is hereby added as the last paragraph to article 258 of the Code 2004:

“In the case of dismissal of claim for sequestration (provisional distraint), the creditor may take legal actions and remedies.”

ARTICLE 61. – The following paragraph is hereby added as the last paragraph to article 261 of the Code 2004:

“Complaints relating to execution of sequestration (provisional distraint) will be addressed to the execution court having jurisdiction on the relevant execution office.”

ARTICLE 62. – Third paragraph of article 264 of the Code 2004 is hereby amended and shall hereafter read as follows:

“If the sequestration (provisional distraint) is obtained while the related action of debt is pending in the court or if the creditor has commenced a lawsuit in the court according to first paragraph hereof, the creditor is under obligation to apply for legal execution proceedings within one month after receipt from the court a writ of decree about the merits of the case.”

ARTICLE 63. – Heading of article 265 of the Code 2004 is hereby revised as “Objections and Appeal to Order of Sequestration”, and first paragraph thereof is hereby amended and shall hereafter read as follows, and the following paragraphs are hereby added as second and last paragraphs:

“By an application made to the court within seven days following the date of attachment of properties in his presence or otherwise, after receipt of the statement of attachment, the debtor may object to the causes of sequestration (provisional distraint) ordered beyond his knowledge, or to the jurisdiction of the court or to the guarantees received for sequestration.”

“Third persons whose interest are injured may also object to the causes of or the guarantees received for sequestration (provisional distraint) within seven days after becoming aware of the sequestration (provisional distraint).”

“An appeal may be made against the court decree taken on objection. The Supreme Court of Appeals will hear such appeals with priority and its judgment will be final. However, appeal does not suspend or stay execution of the order of sequestration.”

ARTICLE 64. – First paragraph of article 268 of the Code 2004 is hereby amended and shall hereafter read as follows:

“In the event that the properties attached and sequestered as a provisional remedy pursuant to article 261 are further attached by another creditor pursuant to and under this Code or other laws before the sequestration (provisional distraint) is converted to a final distraint, the provisional distraintee will automatically and temporarily join in this second attachment under the conditions set down in article 100. In the case of existence of a provisional or final distraint before the pledge, none of the attachments, including the public debts, may join in the distraint established before the pledge.”

ARTICLE 65. – Article 269/a of the Code 2004 is hereby amended and shall hereafter read as follows:

“Article 269/a. – If the debtor does not raise an objection, nor does he pay the rental debts by the end of the notice period, the execution court will order evacuation upon demand of the creditor within six months following the end of the notice period.”

ARTICLE 66. – Heading of article 280 of the Code 2004 is hereby revised as “Revocation Due to Intention of Damage”, and its first paragraph is hereby amended and shall hereafter read as follows:

“All actions taken with the intention of damage to the creditors by a debtor whose properties and assets are not sufficient to pay his liabilities and debts may be revoked and cancelled if there are clear signs showing that the debtor’s financial situation and his intention of damage are known or should be known by the other party of the said actions or transactions. Provided, however, that a legal proceeding for attachment or bankruptcy must have been initiated against the debtor within five years after the date of such actions or transactions.”

ARTICLE 67. – The heading “I. SIMPLE CONCORDAT” is hereby added before the heading of article 285 of the Code 2004, and first paragraph of article 285 is hereby amended and shall hereafter read as follows, and the following paragraphs are hereby added after first paragraph, and the subsequent paragraphs are renumbered accordingly.

“Any debtor wishing to be eligible for the concordat (composition) provisions will submit to the execution court a reasoned petition and a concordat project to which a detailed balance sheet, income statement and a schedule of accounting books (if he is liable to keep books) will be appended. This schedule will indicate whether all of the books required to be kept pursuant to article 66 of the Turkish Commercial Code are duly kept or not.”

“Each creditor who is entitled to submit a petition of bankruptcy may, with a reasoned petition, request the execution court to start concordat (composition) proceedings on the debtor.”

“Upon receipt of a petition of concordat, the execution court will, if deemed necessary and advisable, order the measures for protection and safeguarding of the properties of the debtor as described in second paragraph of article 290 hereof.”

ARTICLE 68. – First paragraph of article 286 of the Code 2004 is hereby amended and shall hereafter read as follows, and the following paragraph is hereby added after second paragraph thereof:

“After hearing the debtor and the creditor (if the creditor has demanded so), by taking into consideration the debtor’s situation, properties and revenues, and the causes of his failure in fulfillment of his obligations, and the probability of success of the concordat, and by considering whether the project is free from the intention of damage to the creditors, the execution court will accept or refuse the petition of concordat.”

“The refusal of a petition of concordat by the execution court may be appealed by the debtor or the claimant creditor within ten days following the date of pronouncement thereof.”

ARTICLE 69. – Article 287 of the Code 2004 is hereby amended and shall hereafter read as follows:

“Article 287. – The petition of concordat will be pronounced according to the procedures described in second paragraph of article 166. Within ten days following the date of pronouncement of the petition of concordat, the creditors may object to the petition of concordat and demand refusal of the petition of concordat by the execution court, on the ground that there is no reason justifying grant of a respite for concordat.

If the petition of concordat is found acceptable, the execution court will grant a maximum respite of three months to the debtor and will at the same time appoint one or several commissioners who are Turkish nationals having adequate knowledge and experience on concordat. If several commissioners are appointed, the execution court will further determine and decide the functions and authorities of each of the commissioners.

Concordat commissioners will be held liable for all damages caused by their own negligence or fault.

Commissioner will supervise and control the debtor’s business activities and perform the duties and functions vested by article 290 et sequentis. Furthermore, upon demand of the execution court, the commissioner will issue and file interim reports and keep the creditors informed about the concordat process.

Provisions of articles 8, 10, 11, 16, 21 and 359 will be applicable also on concordat commissioners by analogy.

If necessitated by the available circumstances, upon proposal of the commissioner, the respite for concordat may be extended by maximum two months after hearing of the creditors as well.

If and when required for protection and safeguarding of the debtor’s properties or it is clearly evident that the concordat is not feasible, upon demand of the commissioner, the respite for concordat may be stopped before the end of it. In this case, the debtor

and the creditors will be heard. And provisions of articles 299, 300 and 301 will be enforced by analogy.

It cannot be decided to stop or suspend the pending legal proceedings against the debtor during the period following the end of the respite for concordat, even if its purpose is an injunctive relief, or that new legal proceedings cannot be started against the debtor.”

ARTICLE 70. – Article 288 of the Code 2004 is hereby amended and shall hereafter read as follows:

“Article 288. – The execution court will announce and proclaim the respite for concordat in one of the first five newspapers with the highest nationwide circulation as of the date of its decree, and will separately notify it to the relevant execution offices and land registries. The respite for concordat will be separately notified to the trade registry, if the debtor is a merchant, and to the ship registry, if the debtor is engaged in maritime commerce. If the ship owned by the debtor is registered in the ship registry, the ship registrar will put an annotation of the respite for concordat in the ship registry. This annotation creates the same legal results with the annotations referred to in article 879 of the Turkish Commercial Code. The decree of respite for concordat will separately be notified to the other relevant authorities.”

ARTICLE 71. – Article 289 of the Code 2004, together with its heading, is hereby amended and shall hereafter read as follows:

“Results of the respite for concordat on the side of the creditors:

Article 289. – During the respite for concordat, no legal proceeding, including the legal proceedings by virtue of the Code 6183, can be initiated against the debtor, and the pending legal proceedings, if any, will be suspended, and orders for sequestration (provisional distraint) will not be executed and enforced, and the limitation/prescription periods and the time limits of forfeiture which may be suspended by a legal proceeding will not continue to be counted.

During the respite for concordat, for collection of the debts secured by a real property mortgage or a chattel mortgage, legal proceedings for realization of pledge can be started or the pending legal proceedings can be continued; however, protective (conservatory) measures cannot be taken and the pledged properties cannot be sold in the course of such legal proceedings.

For collection of the debts listed in the first rank in article 206 hereof, legal proceedings for attachment can be carried out.

Unless otherwise provided in the decree of concordat, the respite for concordat will stop accrual of interest over all kinds of debts not secured by a pledge.

Clearing/settlement is subject to the provisions of articles 200 and 201 of this Code. The provisions of these articles will be enforced on the basis of the date of proclamation of the respite for concordat or the order for adjournment of adjudication of bankruptcy.”

ARTICLE 72. – Article 290 of the Code 2004, together with its heading, is hereby amended and shall hereafter read as follows:

“Results of the respite for concordat on the side of the debtor:

Article 290. – The debtor may continue his business operations under supervision and control of the commissioner, providing, however, that the execution court may decide that in order to be valid, some acts and transactions must be performed and executed with participation of the commissioner, or may order the commissioner to replace the debtor for management of the business operations of the debtor’s enterprise.

After the date of the order of respite for concordat, without a prior consent of the execution court, the debtor cannot establish pledges, stand surety, or transfer or otherwise encumber his real properties and the permanent equipment of his commercial enterprise even partially, or take gratuitous acts, or otherwise, all such acts and transactions will be null and void.

In the event that the debtor acts in conflict with these provisions or the warnings of the commissioner or acts in such manner justifying doubts of his good faith, the execution court may, upon a report of the commissioner and after hearing the debtor, if possible, and the creditors, if required, stop the respite for concordat or withdraw the right of disposition of the debtor on his properties.

The provisions of articles 299, 300 and 301 hereof will be enforceable by analogy.”

ARTICLE 73. – Article 291 of the Code 2004, together with its heading, is hereby amended and shall hereafter read as follows:

“Bookkeeping and Assessment of Value of Pledged Properties:

Article 291. – Upon appointment, the commissioner will keep an inventory book for the properties and assets of the debtor and assess the value of the properties and assets. If any properties of the debtor are located in other residential areas, these functions may be performed through the execution office of such other residential area.

The commissioner will make his decision on assessment of value of the pledged properties available for inspection by the creditors, and his decision on assessment of value will be notified in writing to the pledgee creditors and the debtor prior to the meeting of creditors.

The relevant persons may, within ten days and by paying the expenses thereof in advance, request the execution court to reassess the value of the pledged properties. If the reassessment of value is demanded by a creditor and the reassessed value is substantially different, the creditor may claim the debtor to reimburse and indemnify the expenses of reassessment.”

ARTICLE 74. – Article 292 of the Code 2004, together with its heading, is hereby amended and shall hereafter read as follows:

“Call to Creditors and Declaration of Debts:

Article 292. – By a notice in the newspaper where the decree of the respite for concordat is published, the commissioner will call the creditors to declare their claims within twenty days following the date of notice. Furthermore, a copy of the notice will be mailed to the known addresses of the creditors. The notice will also contain a warning that the creditors who act in conflict with the procedural rules will not be allowed to take part in the concordat negotiations unless they are recorded in the balance sheet.

In the same notice, the commissioner will summon a meeting of creditors at a predetermined date and time for discussion of the proposal of concordat, after the end of the period referred to in the preceding paragraph, and will state that the creditors may inspect the documents during ten days prior to the meeting.”

ARTICLE 75. – Article 296 of the Code 2004, together with its heading, is hereby amended and shall hereafter read as follows:

“Trial for Examination of Concordat in the Court:

Article 296. – After the end of ten days following the meeting, the commissioner will file a reasoned report to the commercial court and notify the relevant execution court about his decision whether the concordat proposal is accepted by him or not and whether he suggests approval of it or not, by also considering all documents related to the concordat and the parties, if any, who have joined in the process in the mean time.

Soon after hearing the commissioner and in any case before the end of the respite for concordat, the court will take its judgment. The date of hearing designated for the judgment will be proclaimed in the newspaper where the order of the respite for concordat is published. In the notice, it will also be stated that the objectors may personally attend the hearing in order to defend their rights and benefits.”

ARTICLE 76. – First paragraph of article 297 of the Code 2004 is hereby amended and shall hereafter read as follows:

“The concordat will be deemed to be accepted if it is signed by a majority in excess of half of the registered creditors and two-thirds of the amount of debts.”

ARTICLE 77. – Article 298 of the Code 2004 is hereby amended and shall hereafter read as follows:

“Article 298. – Approval of a concordat proposal made in accordance with the preceding articles is subject to the following conditions:

1- The proposed amount must be proportionate with the debtor’s resources (the court may further take into consideration the properties that may be passed to the debtor by inheritance);

2- In the concordat by way of abandonment of properties, the proceeds of realization of properties or the amount proposed by a third person must be above the probable proceeds of liquidation upon bankruptcy;

3- Sufficient guarantees must be given as a security for performance of the concordat procedures, and for full payment of the accepted debts to the privileged creditors, and for performance of the obligations assumed with consent of the commissioner during the respite for concordat, unless each of the said creditors specifically waives from his own claims; and

4- The court expenses and judgment/order fees payable for approval of concordat must be deposited by the debtor to the court before the decree/order of approval.

If the concordat proposal is found insufficient or deficient, the judge may in his own initiative (ex officio) or upon demand make the corrections deemed necessary therein.”

ARTICLE 78. – The following article 298/a is hereby added after article 298 of the Code 2004:

“Deferment of realization of pledged movables or immovables:

ARTICLE 298/a. – The judge approving the concordat may, upon demand of the debtor, defer the sale of the pledged movables or immovables for collection of a debt which has arisen before the petition of concordat, for a maximum period of one year following the date of the decree of approval, providing that the interests which will accrue during the deferment period, but are not covered by the existing pledge are separately securitized. However, for such deferment, the interests which have accrued over the pledged debt during the year before the petition of concordat must have been paid. In addition, the debtor must plausibly and persuasively prove that the related real properties or the items of commercial enterprise pledge are needed for survival of his commercial enterprise and the realization of them will endanger survival of his commercial enterprise.

The relevant pledgee creditors will be invited to present their comments and replies in writing before the proceedings for approval of concordat, and these creditors will be separately and personally summoned to the hearing for approval of concordat.

If the debtor with his own volition and consent transfers the pledged movables or immovables, or goes bankrupt or dies, the deferment of realization will automatically become null and void.

Upon demand of the relevant creditor and after hearing the debtor, the judge approving the concordat will cancel and withdraw the order for deferment of realization only if the creditor plausibly and persuasively proves occurrence of any one of the following:

1- If the debtor has obtained the deferment of realization by giving wrong and inaccurate information; or

2- If the debtor's wealth and income have increased and he is able to repay his debts without risking survival of his commercial enterprise; or

3- If realization of the pledged movables or immovables will no more endanger or risk survival of the commercial enterprise of the debtor.”

ARTICLE 79. – In first sentence of first paragraph of article 300 of the Code 2004, the phrase “in one of the first five newspapers with the highest nationwide circulation” is hereby changed to and replaced by the phrase “in the newspaper where the order of the respite for concordat has been published”.

ARTICLE 80. – First paragraph of Article 301 of the Code 2004 is hereby amended and shall hereafter read as follows:

“If the concordat is not approved or the respite for concordat is stopped, even if the debtor is not among the persons who may be adjudged bankrupt, the debtor will be immediately adjudged bankrupt upon demand of one of the creditors within ten days following the date of announcement/notice to be published pursuant to article 300 hereof.”

ARTICLE 81. – In first sentence of first paragraph of article 302 of the Code 2004, the word “seven” is hereby changed to and replaced by the word “ten”, and the following sentence is hereby added at the end of the article:

“Rights of claim relating to the debts that are finally proven as a result of execution proceeding and the debts that are subject to an enforceable judgment are reserved.”

ARTICLE 82. – Article 303 of the Code 2004 is hereby amended and shall hereafter read as follows:

“Article 303. – The approved concordat shall be obligatory for all debts which have arisen prior to the order of the respite for concordat or which have been assumed until the date of approval of concordat without a prior consent of the commissioner. The debts owed to the pledgee creditors up to the value of pledge and the debts to the Government listed in first paragraph of article 206 of this Code are, however, exempted.

The debts assumed or incurred during the respite for concordat with a prior consent of the commissioner will be considered and treated as debts to the bankruptcy estate in the case of a concordat by way of abandonment of properties or in a subsequent bankruptcy.

The decree of approval of concordat will indicate to which extent the creditors renounced their claims, and how the debtor will pay his debts and if required, which guarantees will be provided. The decree may further entrust the commissioner or a specialist with the task of taking the measures of supervision, management and settlement/liquidation required for completion of the approved concordat process. In this case, the appointed person will prepare and submit to the relevant court bimonthly reports indicating the progress and situation of the commercial enterprise of the debtor

and whether the debtor maintains its solvency pursuant to the concordat project, and the creditors will also have the right of access to these reports.”

ARTICLE 83. – In article 309 of the Code 2004, the article heading “Post-bankruptcy Concordat” is hereby changed to and revised as “Terms and Conditions”, and the main heading “II. POST-BANKRUPTCY CONCORDAT” is hereby added before that heading, and third paragraph of the article is hereby amended and shall hereafter read as follows:

“Realization will be deferred until the commercial court passes a judgment about approval.”

ARTICLE 84. – The following articles 309/a to 309/l under the main heading of “III. CONCORDAT BY WAY OF ABANDONMENT OF PROPERTIES” are hereby added after article 309 of the Code 2004:

“III. CONCORDAT BY WAY OF ABANDONMENT OF PROPERTIES:

In general:

ARTICLE 309/a.- In the concordat by way of abandonment of properties, the creditors are authorized to use all rights of disposition on the properties of the debtor or to transfer or assign all or some of these properties to third persons.

The creditors use their rights through the concordat liquidators and the committee of creditors. The concordat liquidators and the committee of creditors will be elected by the creditors who decide on the petition of concordat. The concordat liquidators will take office upon approval of their election by the execution court. The concordat commissioner may also be appointed as a concordat liquidator.”

“Mandatory contents:

ARTICLE 309/b. – The concordat by way of abandonment of properties will be comprised of the following contents:

1- Whether the creditors have waived from their claims that are not satisfied upon liquidation of the properties or transfer of the ownership thereof to a third person, or not, and if not, what will be the liabilities of the debtor in connection therewith;

2- Appointment and functions and powers of the concordat liquidators and the members of the committee of creditors;

3- If not specifically regulated by the laws, the method of liquidation of the properties, and if the properties will be transferred to a third person, the method of transfer and the securitization thereof; and

4- All notices and calls to the creditors will be published, not only in the Turkish Trade Registry Gazette, but also in one of the first five newspapers having the highest nationwide circulation as of the date of approval.

The properties kept out of scope of the concordat, if any, will also be specified and shown clearly.”

“Results of Approval:

ARTICLE 309/c. – As after the date the decree of approval of the concordat by way of abandonment of properties becomes final, the debtor cannot use any rights of disposition on the properties, and the signature authority of the persons holding the rights of disposition on the properties ceases to exist.

If the debtor is registered in the trade registry, the words “in concordat liquidation” are added to its commercial name/title. The concordat estate will be sued under this name/title also for collection of the debts that are out of scope of the concordat.

The concordat liquidators will take all actions for conservation and realization of the concordat estate or if required, for transfer and assignment of the properties.

The concordat liquidators will represent the concordat estate in and before the courts. The provisions of article 228 will be enforceable by analogy.”

“Legal status of the concordat liquidators:

ARTICLE 309/ç. – The concordat liquidators are under supervision and control of the committee of creditors. Decisions of the concordat liquidators relating to realization of the properties may, within seven days following the date of learning, be appealed in the committee of creditors, and the remedy of complaint may be taken against decisions of the committee of creditors.

Provisions of articles 8, 9, 10, 11, 21 and 359 are applicable by analogy also in the acts and transactions of the concordat liquidators.”

“Determination of creditors eligible for sharing:

ARTICLE 309/d. – With a view to determining the creditors eligible for sharing of the proceeds of liquidation and their ranks in the order of sharing, the concordat liquidators will prepare a collocation ranking the creditors in reliance upon only the commercial books and the debt records therein, without making a new call to the creditors, and will make this collocation available for inspection by the creditors.

The provisions of articles 230 to 236 shall be enforceable by analogy.”

“Realization:

ARTICLE 309/e. – The properties recorded in the concordat estate will be realized individually or as a whole. Realization will be made by collection of debts or sale of the rights of claim in connection therewith, or as for other properties and assets, by way of bargaining or public auction sale.

Method and time of realization will be decided by the committee of creditors upon proposals of the concordat liquidators.”

“Mortgaged real properties:

ARTICLE 309/f. – Except for transfer of the properties to a third person, the mortgaged real properties can be sold by the concordat liquidators by way of bargaining only with a prior consent of the pledgee creditors whose claims cannot be satisfied and paid out of the proceeds of sale of the mortgaged real properties, or otherwise, the said real properties may be realized only by way of public auction sale. The existence and order of the rights of easement, encumbrances, mortgages and annotated personal rights on the real properties will be determined according to the collocation.”

“Chattel mortgages:

ARTICLE 309/g. – The creditors whose claims are secured by a chattel mortgage are not under obligation to deliver the pledged properties to the concordat liquidators. Unless another period is stipulated in the concordat, the pledgee creditors may at any time deemed fit and appropriate realize the pledged properties by way of realization of pledge or if they are authorized so in the pledge contract, by way of bargaining or by way of sale in the exchange.

However, if the realization of pledge is in the interests of the concordat estate, the concordat liquidators may authorize the pledgee creditors to realize the pledge within six months. The concordat liquidators will further remind the penalty envisaged in article 336/a to the pledgee creditor, warning the latter that if the realization is not completed by the end of this period, the pledged properties must be delivered to the concordat liquidators, and if the pledgee creditor does not deliver the pledged properties to the concordat liquidators without a just cause, the pledgee creditor will be deprived of his rights of preference/priority.”

“Transfer of doubtful and disputed rights of claim to the creditors:

ARTICLE 309/ğ. – If the committee of creditors, upon proposal of the concordat liquidators, renounces a disputed or doubtful right of claim and particularly, an action of rescission or a liability suit against the bodies or employees of the debtor, the committee of creditors will duly inform the creditors by a letter or an announcement, and will make a proposal to transfer these rights of claim to the creditors in accordance with article 245 hereof.”

“Sharing of money:

ARTICLE 309/h. – The concordat liquidators will, before each distribution even if it is a temporary distribution, prepare a schedule of shares in distribution, and inform each creditor about his share in distribution, and make the schedule of shares in distribution available in the bankruptcy office for inspection by the creditors for ten days. The remedy of complaints may be taken against the schedule of shares in distribution.

The concordat liquidators will, together with the schedule of shares in distribution, deliver to the bankruptcy office the final calculation containing the expenses as well.”

“Deficit of Pledge:

ARTICLE 309/i. – The pledgee creditors whose pledge is realized as of the date of delivery of the temporary schedule of shares in distribution will participate in the temporary distribution for the unpaid portion of their claims. The unpaid portion of claims will be determined and calculated by the concordat liquidators, and the remedy of complaint may be taken against their decisions.

If the pledge has not yet been realized as of the date of delivery of the temporary schedule of shares in distribution, the pledgee creditor will participate in distribution for the amount of deficit specified and stated by the commissioner. If the pledgee creditor proves that the proceeds of realization of pledge are below the amount specified and stated by the commissioner, the pledgee will be entitled to the payments corresponding thereto.

If the total sum of the proceeds of realization of pledge and the temporary payments made till that time is in excess of the amount of debt, the pledgee creditor is obliged to refund the amount in excess.”

“Deposit:

ARTICLE 309/i. – The shares in distribution which are not collected by the right owners by the end of the period determined by the concordat liquidators will be deposited in bank in accordance with the provisions of article 9.

The shares in distribution which are not collected and recovered by the right owners within five years shall be distributed by the bankruptcy office, and the provisions of article 255 shall be applicable by analogy.”

“Activity Report:

ARTICLE 309/j. – Upon completion of the liquidation process, the concordat liquidators will issue a final report. This final report will be submitted to the committee of creditors for approval. The final report, if approved, will be sent by the committee of creditors to the commercial court being the approval authority, which in turn makes the report available for inspection by the creditors.

If the liquidation process takes a time longer than one year, the concordat liquidators will, by no later than the end of December every year, prepare and submit to the committee of creditors an activity report and a statement showing the liquidated properties and the properties not realized yet. Then the report and statement will be filed to the approval authority through the committee of creditors so as to be made available for inspection by the creditors by the end of February of the following year.”

“Cancellation of legal transactions:

ARTICLE 309/k. – Legal transactions and acts of the debtor executed prior to approval of the concordat may be cancelled pursuant to and under articles 277 to 284.

The date of grant of the respite for concordat or the date of adjournment of adjudication of bankruptcy prior to the respite for concordat in accordance with this Code will substitute the date of attachment or the date of start of bankruptcy in calculation of the periods for the actions of rescission hereunder.

If and when it is possible to have the claims against the concordat estate dismissed and abated fully or partially by way of cancellation of transactions, the concordat liquidators are authorized and liable to present a plea for cancellation thereof.”

“Joint provisions applicable:

ARTICLE 309/1. – Unless it is contrary by nature, the provisions of articles 285 to 308 are enforceable and applicable also in the concordat by way of abandonment of properties.”

ARTICLE 85. – The following paragraph is hereby added after second paragraph of article 318 of the Code 2004:

“Upon submission of the petition, the execution court may, as a precautionary measure, suspend the pending proceedings, except for the debts referred to in article 326. The execution court will further judge whether the period of suspension of the proceedings will be deducted from the extraordinary time limit, or not, and if so, to which extent.”

ARTICLE 86. – Article 323 of the Code 2004 is hereby amended and shall hereafter read as follows:

“Article 323. – During this time limit, execution proceedings may be initiated against the debtor, and these proceedings may be continued until the stage of attachment or the order of deposit for security. The attached fees will be continued to be collected during the time limit, and the same rule is valid also for the rents if and to the extent they are covered by a real guarantee within the frame of a legal proceeding initiated prior to or during the time limit. However, even if the demand of realization of pledge or the order of attachment or the order of deposit for security has been made or taken before the grant of the time limit, no sale can be made or no adjudication of bankruptcy can be taken.

The periods specified in articles 106, 150/e, 156, 206, 278, 279 and 280 will be extended by the time limit. The same rule is valid also for interests of the debts secured by a mortgage of real property, in the real guarantees.”

ARTICLE 87. – First paragraph of article 326 of the Code 2004 is hereby amended and shall hereafter read as follows:

“The time limit will not be applied on the debts below five hundred million lira and the debts in the first rank in article 206.”

ARTICLE 88. – The following article 329/a is hereby added after article 329 of the Code 2004:

“Relation with adjournment of adjudication of bankruptcy:

ARTICLE 329/a. – In the event that a capital company or a cooperative society is granted an extraordinary time limit, it will not be eligible for adjournment of adjudication of bankruptcy under article 179 et sequentis for one year following the end of the time limit.

If adjudication of bankruptcy on a capital company or a cooperative society is adjourned pursuant to article 179 et sequentis, an extraordinary time limit cannot be granted for one year following the end of the period of adjournment.”

ARTICLE 89. – Article 331 of the Code 2004 is hereby amended and shall hereafter read as follows:

“Article 331. – If, after a petition for execution proceeding for attachment or during two years prior to the date of that petition, the debtor, with the intention of causing damage to his creditors, reduces his properties and assets artificially by disposing of, wasting or reducing the value of all or some of his properties, or by concealing his properties or transferring or assigning his properties to third persons in fictitious transactions or by admitting simulated debts, and if the creditor proves that a false certificate of insolvency is obtained or the debts owed to the creditor are not paid or settled, the debtor will be sentenced to imprisonment of six months to three years and a fine of one billion to one hundred billion lira.

These provisions are applicable also on a debtor who commits the offences mentioned in the first paragraph prior to start of the bankruptcy proceeding or in the case of direct bankruptcy, prior to the date of petition of bankruptcy, even if such acts constitute another offence as well.

These provisions are applicable also on a debtor who commits the offences mentioned in the first paragraph during two years before the petition for the respite for concordat or for adjournment of adjudication of bankruptcy or at any time after the petition for the respite for concordat or after the end of the period of adjournment of adjudication of bankruptcy.

If and when an annex covered by a mortgage on real property is separated from the real property with the intention of causing damage to the pledgee, the possessor of the annex will be sentenced to imprisonment of two years to four years and a fine of one billion to one hundred billion lira.

The provisions of article 522 of the Turkish Criminal Code are also applicable, depending on the extent of damages.

These offences will be prosecuted upon complaint of the creditor.

Those who knowingly assist the debtor and those who associate in the offences mentioned in this article shall also be penalized like the principal committer of the offences.”

ARTICLE 90. – The following article 333/a is hereby added after article 333 of the Code 2004:

“Liability of Executives in Commercial Enterprises:

ARTICLE 333/a. – If the ‘de jure’ or “de facto’ executives of a trading company cause loss to the creditors by not paying all or some of the liabilities and debts of the company with the intention of causing damage to the creditors, and if such acts and transactions do not constitute another offence, the executives will be sentenced to imprisonment of six months to two years and a fine of four billion to four hundred billion lira.

If the offence mentioned in the first paragraph is committed by imprudence, the offender will be sentenced to a fine of two billion to two hundred billion lira, depending on severity of the resulting damages.

The offences mentioned in this article will be prosecuted upon complaint of the creditor.”

ARTICLE 91. – Article 334 of the Code 2004, together with its heading, is hereby amended and shall hereafter read as follows:

“Penal sanctions on debtor who misleads the concordat authorities or fails to comply with the concordat conditions:

Article 334. – A debtor who knowingly causes loss by failing to comply with the concordat project conditions or by misleading the creditors, commissioners or authorized officers about his financial situation by submitting untrue accounts or balance sheets with the intention of obtaining a respite for concordat or having the concordat approved will be sentenced to imprisonment of six months to one year upon a complaint of the injured persons to the execution court.”

ARTICLE 92. – The following article 334/a is hereby added after article 334 of the Code 2004:

“Liability of the Concordat Commissioner:

ARTICLE 334/a. – The concordat commissioners will, as for their acts, be considered and treated as civil servants within the meaning ascribed thereto by article 279 of the Turkish Criminal Code.”

ARTICLE 93. – The following article 336/a is hereby added after article 336 of the Code 2004:

“Penal sanctions on one who fails to redeliver the properties in his custody:

ARTICLE 336/a. – A person who fails to redeliver to the execution office within seven days after demand of the execution office the properties entrusted to his custody for pledge, attachment or any other reason under this Code will, upon a complaint of

the creditor, be sentenced to imprisonment of two months to six months by a decree of the execution court.”

ARTICLE 94. – First paragraph of article 337 of the Code 2004 is hereby amended and shall hereafter read as follows:

“A debtor who does not attend the execution office for declaration by the end of the legal period of time or who does not make a written declaration without a justifiable excuse will, upon a complaint of the creditor, be sentenced to imprisonment of ten days to one month by a decree of the execution court. If the creditor knows or should know the attachable properties of the debtor or if the attached properties are sufficient to pay the debts, no penal sanction will be imposed on the debtor.”

ARTICLE 95. – In first paragraph of article 338 of the Code 2004, the phrase “to one year” is hereby changed to and replaced by the phrase “to six months”.

ARTICLE 96. – Article 341 of the Code 2004 is hereby amended and shall hereafter read as follows:

“Article 341. – If the debtor conceals the child in the course of execution of a final court judgment or an interlocutory judgment about delivery of child or re-kidnaps the child after execution of the final court judgment or interlocutory judgment, both the debtor and others who knowingly accomplice such offences will, upon a complaint of the injured person, be sentenced to imprisonment of two months to six months by a decree of the execution court.”

ARTICLE 97. – Heading of article 344 of the Code 2004 is hereby revised as follows and the following paragraph is hereby added after second paragraph of that article:

“Penal sanctions on one who does not comply with the court judgments on alimony:

The provisions of first paragraph will be applicable also on the debtors who do not pay the alimony ordered by an interlocutory judgment of the court.”

ARTICLE 98. – In first paragraph of article 345/b of the Code 2004, the word “imprisonment” is hereby changed to and replaced by the words “slight imprisonment”.

ARTICLE 99. – The following paragraph is hereby added to article 352 of the Code 2004:

“In the judgment, it will be stated that the extinction of action and penalty is possible for the reasons mentioned in article 354 in the offences prosecutable upon complaint.”

ARTICLE 100. – The following article 352/a is hereby added after article 352 of the Code 2004, and the existing article 352/a is hereby renumbered as 352/b:

“Penal order taken without trial:

Article 352/a. – The offences that are referred to in this Code and subject to a penal sanction of which upper limit is imprisonment up to six months or only slight or heavy fine or one or two of them may be penalized by a penal order taken without trial.

Upon receipt of a bill of complaints or a statement of action, the execution court will not apply the provisions of article 349 if it is concluded that the case may be closed by a penal order without trial. In this case, second paragraph of article 386, and articles 387, 388 and 389, and first and second paragraphs of article 390, and article 391 of the Criminal Procedures Code will be applied. The execution court will order delivery of the complaint file, and an extract of birth registration logs and a criminal conviction certificate of the accused to the court.

The judge will state in the ‘penal order taken without trial’ that if the debt is repaid, the penalty will be subject to extinction together with all results thereof pursuant to article 354, in addition to the contents of first paragraph of article 388 of the Criminal Procedures Code.

In the case of an objection to a ‘penal order taken without trial’ containing a slight imprisonment penalty, trial will be held in accordance with the pertinent provisions of this Code.

If a penal order taken without trial contains only a fine, the objections thereto will be heard by the presiding judge of the court of assizes within the same jurisdiction venue with the execution court. A bill of complaints will suspend and stay execution of the penal order taken without trial. If the objection is found acceptable upon examination of the case file, the presiding judge of the court of assizes will pass a judgment about objection. Judgments upon objections are final.”

ARTICLE 101. – In second paragraph of article 363 of the Code 2004, the phrase “one hundred million” is hereby changed to and replaced by the phrase “two billion”.

ARTICLE 102. – The following additional article is hereby added to the Code 2004:

“**ADDITIONAL ARTICLE 1.** – The monetary limits mentioned in articles 119, 226, 326 and 363 of this Code will, with effect from the beginning of each calendar year, be applied by an increase of the monetary limits valid in the previous year by the rate of revaluation determined and announced by the Ministry of Finance for that year pursuant to and by virtue of the provisions of article 298 of the 213 Tax Procedures Code. Portions of the monetary limits determined as above which are not in excess of ten million lira will not be taken into consideration.

The provisions of article 363 pertaining to increase of monetary limits applied with effect from the beginning of each calendar year pursuant to the preceding paragraph will not be applicable on the lawsuits where a final judgment is taken and passed by the execution court prior to the effective date of such increase or on the lawsuits which are retried upon a reversal decree of the Supreme Court of Appeals.”

ARTICLE 103. – Forth paragraph of article 62, forth paragraph of article 67, last sentence of second paragraph of article 128, last paragraph of article 134, second paragraph of article 280, last paragraph of article 285, second paragraph of article 354 and sub-paragraph (12) of article 363 of the Code 2004 are hereby repealed and abrogated.

ARTICLE 104. – The principles and procedures of implementation of articles 309/a to 309/l of the Code 2004 will be set down in a regulation to be adopted and issued by the Ministry of Justice.

ARTICLE 105. – The following temporary articles are hereby added to the Code 2004:

“TEMPORARY ARTICLE 3. – The phrases “presiding judge”, “execution court assistant judge” and “execution judge” are hereby replaced by the phrase “execution court judge”, and the phrases “residence”, “personal properties”, “real properties” and “accessories” are hereby replaced respectively by the phrases “domicile”, “movables”, “immovables” and “annexes” in the Execution and Bankruptcy Code no. 2004.

TEMPORARY ARTICLE 4. – Until the Ministry of Justice or the Justice Ministry Organization Support Foundation opens warehouses and garages for storage and safeguarding of the attached properties, the private warehouses and garages used for this purpose will continue to apply the related regulations and fee tariffs issued by the Ministry of Justice.

TEMPORARY ARTICLE 5. – In the Execution and Bankruptcy Code no. 2004 as amended and revised by this Law:

1- the provisions amending articles 4, 13, 26 and 250 and forth and fifth paragraphs of article 88 will become effective three months after the effective date of this Law;

2- the provisions amending article 14 will become effective 6 months after the effective date of this Law;

3- the provisions amending article 18 will be applicable on the complaints to be filed after the effective date of this Law;

4- the provisions amending articles 24, 79, 85, 92 and 94 and second and third paragraphs of article 88 will be applicable on the attachments to be established after the effective date of this Law;

5- article 25/b will be applicable on the court decrees relating to delivery of child and establishment of personal contact with child which are enforceable compulsorily after the effective date of this Law;

6- the provisions amending article 30 will be applicable on the debtor’s acts which are in violation of the court decrees after the effective date of this Law;

7- the provisions amending article 32 will be applicable on the commandments to be issued after the effective date of this Law;

8- the provisions amending article 44 will be applicable on the declarations of property to be filed after the effective date of this Law;

9- the provisions amending articles 58 and 269/a will be applicable on the legal proceedings to be initiated after the effective date of this Law;

10- the provisions amending articles 62, 67, 68/a and 170 will be applicable on the objections to be raised after the effective date of this Law;

11- the provisions amending article 63 will be applicable on the hearings to be held for dismissal of objections after the effective date of this Law;

12- the provisions amending first sentence of last paragraph of article 68 will be applicable on the claims for dismissal of objections to be made after the effective date of this Law;

13- the provisions amending article 68/b will be applicable on the legal proceedings arising out of the credit transactions to be executed after the effective date of this Law;

14- the provisions amending third paragraph of article 89 will be applicable on the attachments for which the second warrant of distraint has not yet been sent or has been sent, but the period for application to the court for a declaratory judgment for determination of non-existence of debt has not yet lapsed according to the former provisions as of the effective date of this Law, and the provisions amending fifth paragraph of article 89 will be applicable on the lawsuits to be brought forward if the second warrant of distraint has been sent and the period for application to the court for a declaratory judgment for determination of non-existence of debt has lapsed according to the former provisions as of the effective date of this Law;

15- the provisions amending article 91 will be applicable on the change of ownership after the effective date of this Law;

16- the provisions amending article 111 will be applicable on the contracts to be signed before the effective date of this Law;

17- the provisions amending articles 114, 115, 116, 126 and 129 will be applicable on the sales which will be executed after the effective date of this Law, and of which the text of advertisement has not yet been sent to the Press-Advertisements Agency as of the effective date of this Law;

18- the provisions amending articles 118, 119, 130 and 133 will be applicable on the sales to be made after the effective date of this Law;

19- the provisions amending articles 118 and 128/a will be applicable on the value assessments to be made after the effective date of this Law;

20- the provisions amending article 134 will be applicable on the demands for cancellation of tender after the effective date of this Law;

21- the provisions amending article 142/a will be applicable on the lists of collocation to be issued after the effective date of this Law or on the lists of collocation subject to a pending complaint and/or objection as of the effective date of this Law;

22- the provisions amending first paragraph of article 143, and seventh paragraph added to article 143 by this Law will become effective six months after the effective date of this Law, and the provisions amending sixth paragraph of article 143 will become effective as of the effective date of this Law;

23- the provisions amending article 148/a will be applicable on registration in land registry of the mortgage deeds to be issued and signed after the effective date of this Law;

24- the provisions amending articles 150/b and 150/1 will be applicable on the legal proceedings for realization of pledge to be initiated after the effective date of this Law;

25- the provisions amending article 166 will be applicable on the adjudications of bankruptcy after the effective date of this Law;

26- the provisions amending articles 168 and 170/b will be applicable on the execution proceedings for attachment in reliance upon bills of exchange to be initiated after the effective date of this Law;

27- the provisions amending article 169/a will be applicable on the trials of objection pending as of the effective date of this Law;

28- the provisions amending article 179 will be applicable on the petitions for adjournment of adjudication of bankruptcy to be filed after the effective date of this Law;

29- the provisions amending articles 179/a and 179/b will be applicable on the petitions for adjournment of adjudication of bankruptcy pending as of the effective date of this Law;

30- the provisions amending article 185 will be applicable on the liquidation upon bankruptcy processes pending as of the effective date of this Law;

31- the provisions amending article 206 will be applicable on the lists of collocation to be issued after the effective date of this Law;

32- the provisions amending article 222 will be applicable on the first meeting of creditors to be held after the effective date of this Law;

33- the provisions amending article 223 will be applicable on the meetings of bankruptcy administration to be held after the effective date of this Law;

34- the provisions amending article 226 will be applicable on the settlements and arbitrations to be made after the effective date of this Law;

35- the provisions amending article 250 will be applicable on the schedules of shares in distribution to be issued after the effective date of this Law or on the schedules of shares in distribution subject to a complaint pending as of the effective date of this Law;

36- the provisions amending first sentence of second paragraph of article 251 will become effective six months after the effective date of this Law as for first and seventh paragraphs of article 143 referred to therein, and will become effective as of the effective date of this Law as for sixth paragraph of article 143 referred to therein, and forth sentence added to second paragraph of article 251 will become effective as of the effective date of this Law;

37- the provisions amending articles 257, 258, 261, 264, 265 and 268 will be applicable on the claims for sequestration (provisional distraint) to be filed after the effective date of this Law;

38- the provisions amending article 280 will be applicable on the actions of rescission commenced before and pending as of the effective date of this Law;

39- the provisions amending articles 285, 286, 287, 288, 289, 290, 291, 292, 296, 297, 298, 300, 301, 302, 303 and 309 and the provisions of articles 309/a to 309/l added by this Law will be applicable on the petitions of concordat to be filed after the effective date of this Law; and

40- the provisions amending articles 318, 323 and 326 will be applicable on the claims for extraordinary time limit to be filed after the effective date of this Law.

ARTICLE 106. – This Law will become effective as of the date of its promulgation.

ARTICLE 107. – This Law will be enforced by the Council of Ministers.