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NEW ERA IN ASSIGNMENT OF BUILDING INSPECTION INSTITUTIONS: ELECTRONIC APPOINTMENT

The amendments made to the Law No. 4708 on Building Inspection (the "**Law**") and the Regulation on Implementation of Building Inspection (the "**Regulation**") to eliminate building inspection weaknesses caused by the close commercial ties between building inspection institutions and building contractors, entered into force on 1 January 2019. The amendments introduce transparent assignment of the building inspection institutions through electronic system. In this regard, Communique on the Procedures and Principles Regarding Electronic Appointment of the Building Inspection Institutions Who Will Execute Building Inspection Service Contracts with Building Owners (the "**Communique**") was also published and entered into force on 1 January 2019.

Before the amendments, building owners were free to choose any inspection institution to sign a service contract with. According to the amendments introduced by the Law and detailed by the Regulation and the Communique, each building inspection institution to be appointed for a building will be assigned by the Ministry of Environment and Urbanization (the "**Ministry**") through an electronic system, pursuant to specific rules. This amendment is expected to provide objective building inspections without being damaged by the commercial relations between building inspection institutions and building owners and thus to abolish the misapplication that has been criticized for a long time in the sector.

According to the Communique, three different building groups have been formed and for each city, the inspection institutions are listed based on the respective building groups which the institutions are entitled to inspect. The ranking of the inspection institutions is determined through the lot casted before the notary public. When the lists are first created, the score of each institution

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is considered zero, and each institution becomes entitled to a score equal to the price of the building inspection service contract which it undertakes. Such scores are then added to the institution's total score in the respective building group list, created based on the city and building group. When assigning an inspection institution for a building, the institution with the lowest score in the relevant list is prioritized. If the institutions' scores are equal, the institution with a lower document number is assigned.

For the above explained system to function properly, the Regulation also restricts the grounds for terminating building inspection service agreements. Furthermore, it became mandatory to include the respective ground for termination in the termination letter. A termination will be valid only if the respective grounds are deemed appropriate by the Ministry.

Besides switching to the above explained electronic system, the Law and Regulation introduces amendments aiming to create new employment opportunities within the scope of building inspection activities. The amended Regulation has eliminated the "control personnel" and transferred its duties to the "assistant control personnel" group comprising of teachers and technicians who are deemed as intermediate technical staff. It further enabled intermediate technical staff to become site supervisors, subject to certain limitations.

It is expected that the new amendments will change the perception of building owners and contractors that the building inspection is a formality only and establish an effective inspection system which contributes to the construction of safe buildings. While the amendments will be implemented, there will be a clearer picture as to whether the new system satisfies the sector's expectations.

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