

### CONSUMER-PROTECTIVE AMENDMENTS IN ADVERTISEMENT AND PRICE TAG LEGISLATION

The Turkish Ministry of Commerce made fundamental changes in the legislation on advertisements and price tags this past February aiming to inform consumers correctly. The Regulation Amending the Regulation on Commercial Advertisements and Unfair Commercial Practices published on 1 February 2022 and the Regulation Amending the Regulation on Price Tags published on 18 February 2022 introduced provisions especially remarkable for retail companies in food, textile, cosmetics, stationary and other similar fields, advertising and marketing units and e-commerce companies. These changes, which we will discuss in detail below, entered into force on 1 March 2022.

#### 1. Amendments in the Regulation on Commercial Advertisements and Unfair Commercial Practices

##### *Discounted Sales*

Prior to the amendments, a product's previous price (the crossed-out price) was determined by the product's price right before the current discounted price. With the amendment in Article 14(3) of the Regulation on Commercial Advertisement and Unfair Commercial Practices (the "**Advertisement Regulation**"), the lowest price within the last thirty days before the discount date, excluding perishable products, such as fruits and vegetables, must be taken as the sales price prior to the discount. The Ministry of Commerce declared that the purpose of this amendment is to prevent "the illusion of discounted sales."

The amendment to the Advertisement Regulation also introduced the concept of personalized prices in Turkish law by defining the term as "the price for a good or service offered to the

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consumers by analyzing their purchasing behavior and other personal data.” Pursuant to the Advertisement Regulation, vendors and providers must inform customers that they apply personalized prices and must show both the current sales price and the personalized price in the same section so that customers can compare those two prices.

## ***Advertisements Relating to Financial Services***

The Advertisement Regulation brought about certain obligations in relation to the advertisements of goods and services offered for sale with a tied loan. In this respect, the loan term, interest rate, monthly and annual percentage value of the total cost to the consumer and repayment terms must be included either in the advertisement itself or on the website to which the advertisement directs the consumer.

## ***Goods and Services Offered Through the Internet***

The Advertisement Regulation made it mandatory to show the consumer the ranking method used while listing similar goods and services on the internet. It is regulated that if a good or service is featured based on an advertisement or a sponsorship agreement, it must be clearly marked with the word "advertisement."

The Advertisement Regulation imposed several obligations for vendors, providers, and intermediary service providers so that consumers can evaluate a good or service offered through the internet. This obligation is to ensure that only those who purchase a good or service can evaluate the said good or service. Another obligation is to select and rank comments according to objective criteria, publish these for at least one year and inform customers on the publication procedures and principles. The Advertisement Regulation also stipulates that if a consumer grievance subject to the comment is resolved, this information is to be published in the same section without delay. In addition, the vendors cannot make an agreement with third parties for that the third parties make comments that approve goods and services or do not state the truth. It also states that an evaluation containing a health declaration that is contrary to the legislation in this regard cannot be published.

Additionally, the Advertisement Regulation has introduced obligations to the internet platforms where consumer complaints are published. These platforms are obliged to give vendors and providers at least 72 hours in which to make a statement before the complaint is published and not to publish the complaint if it contains false information. The Advertisement Regulation provides that responses to complaints cannot be predicated on memberships and/or fees. The purpose of these regulations is to ensure that online shopping consumers are effectively and correctly guided on the relevant platform.

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## 2. Amendments in the Price Tag Regulation

In line with the amendments in the Advertisement Regulation, the Price Tag Regulation stipulates that the lowest price within the last thirty days before the discount date must be written on the price tag as the crossed-out price. In the event of audits, the burden of proof is on the seller or supplier to establish that the price before the discount written on the price tag is the lowest price in the last thirty days.

To accurately inform consumers, the Price Tag Regulation provides that the price tag must be in Turkish. It also provides that for products with a deposit fee, this amount must be clearly written and the goods' price per unit and their sales price must be determined over the net amount.

## 3. Sanctions

The Law on the Protection of Consumers states that inspectors, customs and trade controllers and personnel to be assigned by the Ministry are authorized to conduct inspections, examinations and inquiries. Accordingly, audits are conducted either upon a complaint or are ex officio audits to ensure compliance with advertisements and the price tag legislation. If an advertisement regulation is violated, the Board of Advertisements may impose administrative fines as well as suspension and/or correction of advertisements. For price tag violations, administrative fine is applied for each violated transaction and contract.

## 4. Conclusion

The Law on the Protection of Consumers' main purpose is to take measures to enlighten and raise awareness among consumers. Misleading campaigns are to the detriment of consumers and aim to create discount illusions by increasing prices right before discounts are made. The fact that online platforms where consumers may express their evaluations and complaints on the goods or services is another issue that is open to consumer abuse. These amendments, which came into force on 1 March 2022, aim to enlighten and raise consumer awareness in these fields where consumers are susceptible to abuse.

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