

## Client Alert

### **Dividend distribution limitation period is extended**

Provisional Article 13 introducing certain limitations on capital companies' dividend distributions was added to the Turkish Commercial Code on 17 April 2020. According to the Provisional Article 13, until 30 September 2020, capital companies cannot (i) resolve to distribute more than 25% of 2019's net profit as dividends; (ii) resolve to distribute the previous years' profits and retained earnings as dividends; and (iii) authorize their board of directors to distribute advance dividends. The same provision authorizes the President to extend or shorten the limitation period by three months.

With the Presidential Decree published today, the President extended the period for the limitations on capital companies' dividend distributions by three months, until 31 December 2020.

Please contact us in case of any questions regarding this matter.