

## Client Alert

Turkey | 10 April 2023

### **The mandatory mediation's scope is expanded.**

On 5 April 2023, Law No. 7445 on the Amendment of the Enforcement and Bankruptcy Law and Certain Laws (the "**Law**") was published. The Law introduced, among others, certain amendments regarding mediation.

The following amendments has entered into force on 5 April 2023:

- It has become mandatory to obtain an enforceability certificate in order to enforce settlement agreements issued at the end of the mediation processes within the scope of the United Nations Convention on International Settlement Agreements (the Singapore Convention). Enforceability certificate will be obtained from the competent first instance commercial court in the place where the parties have reached an agreement.
- Settlement agreements signed by the parties, their attorneys and the mediator have been deemed as documents that have the nature of court judgements. From now on, for commercial disputes, settlement agreements jointly signed by only the attorneys and the mediator will be deemed to have the nature of a court judgement without need of a certificate of enforceability. The intention is to make the process more practical and faster by not requiring the parties' signatures in the settlement agreement in commercial disputes.

The amendments introduced by the Law, which will enter into force on 1 September 2023, are as follows:

- In addition to debt collection and compensation lawsuits, annulment of objection, restitution lawsuits and negative declaratory lawsuits that fall within the scope of commercial lawsuits will be subject to mandatory mediation.
- Annulment of objection and restitution lawsuits and negative declaratory actions falling within the scope of employee and employer receivables and compensation lawsuits based on individual and collective labor agreements will be subject to mandatory mediation.
- Disputes regarding immovables' transfer or the establishment of limited rights *in rem* on immovables will be now eligible for voluntary mediation, and parties may annotate the title deed in a way that restricts the power of disposition during the mediation

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process. If there is a settlement at the end of the mediation process, a certificate of enforceability must be obtained from the civil courts of peace for the settlement agreement to be issued.

- Except for provisions regarding leased immovables' evacuation, disputes arising from lease relationship (e.g., lease declaratory) will be subject to mandatory mediation.

Please contact us if you need further information on this matter.