

Client Alert

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Turnover Thresholds in Mergers and Acquisitions Subject to the Competition Board's Approval

On 4 March 2022, Communiqué No. 2022/2 (the "**Communiqué**") that amends Communiqué No. 2010/4 on Mergers and Acquisitions is published. The Communiqué increased the turnover thresholds under Article 7 entitled "Mergers or Acquisitions Subject to Approval" of the Communiqué on Mergers and Acquisitions.

Pursuant to the amendment, the Competition Board's approval will be mandatory for transactions:

- where the aggregate Turkish turnover of the transaction parties exceeds TRY 750 million and the Turkish turnover of at least two of the transaction parties exceeds TRY 250 million each; or
- where the Turkish turnover of the transferred assets or businesses in acquisitions or of any of the parties in mergers exceeds TRY 250 million and the worldwide turnover of at least one of the other parties to the transaction exceeds TRY 3 billion.

For a transaction to be subject to the Competition Board's approval, only one of these turnover thresholds must be exceeded.

Another change in the Communiqué is that the TRY 250 million threshold will not apply in technology company acquisitions, which companies operate in the Turkish geographical market, engage in R&D activities or provide services to users in Turkey. Accordingly, in transactions where a technology company is acquired and the acquiring undertaking's turnover exceeds the applicable thresholds, it will be mandatory to obtain the approval of the Competition Board even if the Turkish turnover of the acquired undertaking is below TRY 250 million.

The Communiqué defined technology companies falling under this exception as "*Companies operating in the fields of digital platforms, software and game software, financial technologies, biotechnology, pharmacology, agricultural chemicals and health technologies or their assets related to these.*"

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The new turnover thresholds and the other amendments to the Communiqué on Mergers and Acquisitions will enter into force on 4 May 2022.

Please contact us for any questions regarding this matter.