

## Client Alert

Turkey | December 2025

### **The Constitutional Court annuls the statutory interest rate for non-contractual obligations.**

The Constitutional Court's decision ("**Decision**"), published in the Official Gazette on 1 December 2025 (No. 33094), annulled the annual statutory interest rate set forth in Article 1 of Law No. 3095 on Legal Interest and Default Interest ("**Law**") as it applies to non-contractual obligations.

Article 1 of the Law sets a 12% interest rate for cases where interest is payable under the Turkish Code of Obligations or the Turkish Commercial Code, and no contractual interest rate has been determined. The Article also authorizes the President to adjust this rate, subject to certain limits. Presidential Decree No. 8485 increased the annual statutory interest rate of 24%, effective 1 June 2024.

The Constitutional Court reviewed this Article in the context of a lawsuit concerning compensation claims for a building that collapsed during the earthquakes in Kahramanmaraş on 6 February 2023, which had a profound impact nationwide. The Constitutional Court emphasized the State's positive obligation to safeguard property rights against inflation and found that the statutory interest rate prescribed by the Law fails to adequately protect the value of the receivable from inflation, resulting in economic loss for individuals. Consequently, the Constitutional Court held that this interest provision violates Articles 35 and 40 of the Constitution with respect to non-contractual obligations.

The annulment will take effect on **1 September 2026**.

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