

# Arbitration Procedures and Practice in Türkiye: Overview

by Beril Yayla Sapan, Asena Aytu# Keser, and Kardelen Dorken, [Gun + Partners](#)

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A Q&A guide to arbitration law and practice in Türkiye.

The country-specific Q&A guide provides a structured overview of the key practical issues concerning arbitration in this jurisdiction, including any mandatory provisions and default rules applicable under local law, confidentiality, local courts' willingness to assist arbitration, enforcement of awards, and the available remedies, both final and interim.

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## Legislative Framework

### Applicable Legislation

#### 1. What legislation applies to arbitration?

The main arbitration legislation in Türkiye is:

- The International Arbitration Code (No. 4686), which applies to an international arbitration seated in Türkiye and to an arbitration where its application is agreed by the parties.
- The Civil Procedure Code (No. 6100), which applies to a domestic arbitration.

The arbitration laws in the International Arbitration Code and the Civil Procedure Code are based on the [UNCITRAL Model Law on International Commercial Arbitration 1985](#) (UNCITRAL Model Law). There are significant modifications to address local legal practice and priorities, such as stricter time limits expediting the duration of the arbitration and setting-aside proceedings and a more active role for courts in assisting arbitral tribunals. The setting-aside of arbitral awards is broader in scope under Turkish law which has setting-aside grounds that are not in the UNCITRAL Model Law.

### Mandatory Legislative Provisions

2. Are there any mandatory legislative provisions? What is their effect?

The International Arbitration Code and the Civil Procedure Code are based on the principle of party autonomy but some provisions are mandatory:

- The right to a fair trial and the equal treatment of the parties (Article 7(A), International Arbitration Code and Article 423, Civil Procedure Code).
- The number of arbitrators must be uneven (Article 8, International Arbitration Code and Article 415, Civil Procedure Code).
- If interim relief is obtained from a Turkish court before initiating arbitration proceedings, arbitration proceedings must be initiated within 30 days (two weeks, under the Civil Procedure Code) otherwise the interim relief will be automatically ineffective (Article 10, International Arbitration Code and Article 426, Civil Procedure Code).
- An action to set aside the arbitral award can be filed within 30 days (one month, under the Civil Procedure Code) (Article 15, International Arbitration Code and Article 439, Civil Procedure Code).
- The arbitration award must include the elements listed in the law (Article 14, International Arbitration Code and Article 436, Civil Procedure Code).
- Disputes arising from in rem rights over immovable property or matters not subject to the parties' will cannot be arbitrated (Article 408, Civil Procedure Code).
- The arbitration clause must be executed in writing (Article 4, International Arbitration Code and Article 412, Civil Procedure Code).
- The arbitration award cannot be against public order (Article 15(A)(2)(b), International Arbitration Code and Article 439(2)(g), Civil Procedure Code).

There is no exhaustive list of mandatory provisions set out by law and court precedents may deem a certain rule mandatory or not. Failure to comply with mandatory legislative provisions can lead to the setting aside of an arbitral award.

3. Does the law prohibit any types of dispute from being resolved through arbitration?

The International Arbitration Code and the Civil Procedure Code prohibit the following disputes from being resolved through arbitration:

- Disputes arising from or relating to rights in rem over immovable property located in Türkiye (Article 408, Civil Procedure Code).
- Disputes that cannot be subject to the parties' will (Article 408, Civil Procedure Code). This means that matters of public order cannot be subject to arbitration and whether a matter concerns public order is decided on a case-by-case basis. In general, disputes relating to bankruptcy, criminal, administrative, or family law are not arbitrable.

## Limitation

### 4. Does the law of limitation apply to arbitration proceedings?

The general Turkish law of limitation applies to arbitration proceedings that are subject to Turkish law. Unless otherwise stipulated, all claims are subject to a ten-year statute of limitations (Article 146, Code of Obligations No. 6098). Accordingly, the limitation period for:

- A dispute arising out of a contract is ten years from when the claim becomes due (Article 146 and 149, Code of Obligations).
- A tort claim is two years from when the claimant becomes aware of the tortious act, the damage, and the person committing it (and cannot be more than ten years from the date of the tortious act) (Article 72, Code of Obligations).
- An unjust enrichment claim is two years from the date the claimant became aware of their right to restitution, and in any case ten years from the date the enrichment occurred (Article 82, Code of Obligations).

Specific claims are subject to a five-year statute of limitations, including among others:

- Rental payments, principal interest, and other periodic obligations.
- Claims arising from partnership agreements between partners or between partners and the partnership, and claims between managers, representatives, or auditors of a partnership and the partnership or its partners.
- Claims arising from contracts for work and services (contracts of work), except when the contractor fails to fulfil their obligations due to gross negligence or intentional misconduct (Article 147, Code of Obligations).

A limitation period is interrupted or suspended where:

- The debtor acknowledges the debt, particularly by making an interest payment, partly fulfilling the obligation, providing a pledge, or offering a guarantor (Article 154(1)(1), Code of Obligations No. 6098).
- The creditor initiates legal proceedings by filing a lawsuit or raising a defence before a court or arbitrator, taking enforcement action, or filing a claim with a bankruptcy estate (Article 154(1)(2), Code of Obligations No. 6098).

Examples of where a limitation period does not begin, or is suspended if already begun, include:

- The debtor holds a usufruct right over the claim (Article 153(1)5), Code of Obligations No. 6098).
- It is impossible to assert the claim before a Turkish court (Article 153(1)(6), Code of Obligations).
- The roles of creditor and debtor are merged in the same person, until the merger is terminated retroactively (Article 153(1)(7), Code of Obligations).

## Arbitration Institutions

5. Which arbitration institutions are commonly used to resolve large commercial disputes?

The arbitration institutions commonly used to resolve large commercial disputes are:

- The *International Chamber of Commerce (ICC) International Court of Arbitration*. This is often used, particularly for a dispute that has an international component.
- The *Istanbul Arbitration Centre (#stanbul Tahkim Merkezi) (ISTAC)*. This is the Turkish institution most often used both for a domestic arbitration and international arbitration.
- The *Istanbul Chamber of Commerce Arbitration and Mediation Centre (#stanbul Ticaret Odas# Tahkim ve Arabuluculuk Merkezi) (ITOTAM)*.
- The *Turkish Union of Chambers and Commodity Exchanges (Türkiye Odalar ve Borsalar Birli#i) Court of Arbitration*.

## Jurisdictional Issues

6. What methods are available for a party to challenge the tribunal's jurisdiction? Does the tribunal or the local court determine issues of jurisdiction?

The principle of kompetenz-kompetenz applies in both international and domestic arbitration (Article 7(H), International Arbitration Code and Article 422, Civil Procedure Code). Therefore, a tribunal can rule on its own jurisdiction and can determine jurisdiction. However, a tribunal's decision on its jurisdiction is not final, and a court can set aside the final arbitral award on

grounds that the tribunal has unlawfully determined that it has or lacks jurisdiction (Article 15A, 1(d), International Arbitration Code) (see [Question 27](#)).

A court can only review a tribunal's decision on its jurisdiction after the final arbitral award is issued, as a set-aside ground.

## Arbitration Agreements

### Validity Requirements

7. What are the requirements for an arbitration agreement to be valid and enforceable?

### Substantive and Formal Requirements

**Formal requirements.** An arbitration agreement must be in writing. The written form requirement is deemed to be fulfilled in the following cases (Article 4(2), International Arbitration Code), Article 412(3), Civil Procedure Code):

- An agreement to arbitrate is recorded by:
  - a document signed by the parties;
  - a letter, fax, telegram, or other means of telecommunication exchanged between the parties; or
  - electronic means.
- The existence of an arbitration agreement has been stated in a filed court petition and the counterparty has not objected.
- A reference is made to a document containing an arbitration clause with the intention of incorporating it into the main contract.

**Substantive requirements.** The following substantive requirements must be fulfilled for an arbitration agreement to be valid:

- The parties must have legal capacity to conclude arbitration agreements (Article 15A(1-a), International Arbitration Code; Article 439(2-a), Civil Procedure Code).
- The arbitration agreement must be valid under Turkish law (for example, no fundamental error, deception, or coercion) (Article 15A(1-a), International Arbitration Code; Article 439(2-a), Civil Procedure Code).
- The subject matter must be arbitrable (Articles 1(4) and 15A(2-a), International Arbitration Code; Articles 408 and 439(2-g), Civil Procedure Code).
- The arbitration agreement must refer to disputes arising out of a specific dispute or relationship (Article 4(1), International Arbitration Code; Article 412(1), Civil Procedure Code).

## Separate Arbitration Agreement

The arbitration agreement can be an arbitration clause in the main contract or a separate agreement entered into by the parties (Article 4(1), International Arbitration Code; Article 412(2), Civil Procedure Code).

An arbitration agreement can also be concluded by reference to another document (such as an agreement or convention) containing an agreement to arbitrate (Article 4(3), International Arbitration Code; Article 412(3), Civil Procedure Code).

## Unilateral or Optional Clauses

8. Are unilateral or optional clauses enforceable?

Unilateral or optional clauses are not enforceable under Turkish law.

## Third Parties

9. Can a non-signatory to an arbitration agreement be joined to the arbitration proceedings?

Arbitration is based on consent and privity of contract, and a non-signatory to an arbitration agreement cannot generally be joined to arbitration proceedings without the consent of the non-signatory and all the parties. In certain circumstances, a non-signatory to the arbitration agreement can be a party to it, including:

- Agency.
- Piercing the corporate veil.
- Succession (for example, where an insurer can sue a third party based on a contract between the third party and the insured that has an arbitration agreement).
- Assignment of a claim or contract that has an arbitration clause.

10. Can a non-signatory compel a party to the arbitration agreement to arbitrate disputes under the arbitration agreement?

Under Turkish law a non-signatory cannot compel a party to the arbitration agreement to arbitrate disputes under the arbitration agreement. An arbitration proceeding can only be initiated by a party to the arbitration agreement.

## Separability

11. Does the arbitration law recognise the separability of arbitration agreements?

Turkish law recognises the separability presumption (Article 4, International Arbitration Code and Article 412, Civil Procedure Code). Nullity of a contract containing the arbitration agreement does not affect the validity of the arbitration agreement and vice versa.

An arbitration agreement is governed by the law chosen by the parties. In the absence of a chosen law, the agreement is valid if it complies with Turkish law (Article 4(3), International Arbitration Code). Due to the recognition of the separability of arbitration agreements, the arbitration agreement will not be subject to the law governing the host agreement. Where the International Arbitration Code applies, the validity issue will be resolved under Turkish law.

## Breach of Dispute Resolution Clause

12. What remedies are available where a party starts court proceedings in breach of an arbitration agreement or initiates arbitration in breach of a valid court jurisdiction clause?

## Court Proceedings in Breach of an Arbitration Agreement

Where a dispute arising under an arbitration agreement is brought before a Turkish court, the defendant can raise an (international or domestic) arbitration objection. An arbitration objection must be made in the response petition (Article 5(1), International Arbitration Code and Articles 116 and 117, Civil Procedure Code).

In this case, the Turkish court will analyse whether the arbitration agreement is valid. If there is a valid arbitration agreement between the parties, the court will dismiss the court action on procedural grounds due to the arbitration agreement.

## Arbitration in Breach of a Valid Court Jurisdiction Clause

If a party requests arbitration despite a valid agreement on the jurisdiction of a Turkish or a foreign court, the objection to the tribunal's jurisdiction must be raised by the counterparty in the first response petition at the latest (Article 7, International Arbitration Code; Article 422(2), Civil Procedure Code). In this case, the arbitrator(s) analyse whether they have jurisdiction, subject to a possible court review to set aside the final award (see [Question 6](#)).

13. Will the local courts grant an injunction to restrain proceedings started overseas in breach of an arbitration agreement?

There are no reported cases of a Turkish court granting an anti-suit injunction to restrain proceedings started overseas in breach of an arbitration agreement. The local courts perceive granting such an injunction as an intervention into another state's sovereignty.

## Arbitrators

### Qualifications and Characteristics

14. Are there any legal requirements relating to the qualifications and characteristics of arbitrators?

### Qualifications

An arbitrator does not need a licence to practise as an arbitrator in Türkiye.

An arbitrator does not need any particular qualifications unless the parties agree otherwise, for example in a sector-specific arbitration such as an insurance arbitration. However, if the parties appoint more than one arbitrator, at least one arbitrator must have expertise in Turkish law with a seniority of five years or more (Article 416, Civil Procedure Code). This is not required under the International Arbitration Code.

### Characteristics

There are no requirements regarding arbitrator characteristics or nationality, unless the parties agree otherwise.

However, if the arbitrator or tribunal is appointed in certain circumstances by a civil first instance court on a party's request (see [Question 16](#)), if the parties are of different nationalities, the court must ensure that, when it appoints the arbitrators, a sole



arbitrator is not of either party's nationality or, if three (or more) arbitrators are appointed, two of them are not of one party's nationality (Article 7, International Arbitration Code).

## Independence and Impartiality

15. Are there any requirements relating to arbitrators' independence or impartiality?

An arbitrator must disclose any facts or circumstances that might cast reasonable doubts on their impartiality and independence, before accepting their appointment and during the arbitration proceedings (Article 7(C), International Arbitration Code and Article 417, Civil Procedure Code).

Article 12 of the *ISTAC Arbitration Rules* also contains provisions on the independence and impartiality of arbitrators. ISTAC is preferred both in domestic arbitration and international arbitrations seated in Türkiye.

The *IBA Guidelines on Conflicts of Interest in International Arbitration 2014* provide a non-exhaustive list of circumstances in which appointments should be declined or disclosures made to protect against bias. These guidelines only apply when the parties agree or the tribunal adopts them. As arbitration practices in Türkiye align more closely with international standards, the IBA Guidelines are increasingly being referred to more frequently.

## Appointment and Removal

16. Does the law contain default provisions relating to the appointment and removal of arbitrators?

## Appointment of Arbitrators

The parties are free to determine the procedure to appoint arbitrators. If the number of arbitrators is not agreed by the parties, the number of arbitrators must be three. In any event, the number of arbitrators must be uneven (Article 7, International Arbitration Code and Article 415, Civil Procedure Code).

If the parties agree to a sole arbitrator but fail to appoint the arbitrator, a civil first instance court appoints the arbitrator at the request of a party.

If the number of arbitrators is three, each party appoints one arbitrator and then the two arbitrators appoint the third arbitrator who acts as the chairperson. If a party fails to appoint an arbitrator within 30 days of receipt of notification under the International Arbitration Code (one month, under the Civil Procedure Code), or if the appointed two arbitrators fail to appoint the third arbitrator, a civil court of first instance appoints the third arbitrator at the request of a party.

If the parties agree to more than three arbitrators, each party designates one of the arbitrators to appoint the last arbitrator. If the designated arbitrators fail to appoint the last arbitrator, a civil first instance court will appoint the last arbitrator at the request of a party.

## Removal of Arbitrators

The parties are free to agree the procedure to remove an arbitrator. If no procedure is agreed, the party wishing to remove an arbitrator must submit its request within 30 days under the International Arbitration Code (two weeks, under the Civil Procedure Code) of either:

- The appointment of the arbitrator or the tribunal.
- The date when the party learns the facts and circumstances on which the removal is based.

Under Article 7D of the International Arbitration Code and Article 417 of the Civil Procedure Code, the main grounds to remove an arbitrator are:

- Lack of qualifications agreed between the parties.
- Circumstances and facts giving rise to doubts about the arbitrator's impartiality and independence.
- Another ground of removal as agreed by the parties.

A party requesting the removal of an arbitrator can challenge a decision on their request in a civil first instance court.

## Procedure

### Commencement of Arbitral Proceedings

17. Does the law provide default rules governing the commencement of arbitral proceedings?

Article 10(A) of the International Arbitration Code and Article 426 of the Civil Procedure Code provide default rules on the commencement of arbitral proceedings. Arbitral proceedings are deemed to commence when either:

- The claimant notifies the respondent that it has appointed an arbitrator, if both parties are to appoint the arbitrators according to the arbitration agreement.
- The counterparty receives a request for arbitration, if the names of the arbitrators are already stated in the agreement.
- An arbitrator is appointed by a court or an authority entitled to appoint arbitrators.

If interim relief is obtained from a Turkish court before initiating arbitration proceedings, arbitration proceedings must be initiated within 30 days (two weeks, under the Civil Procedure Code) otherwise the interim relief will be automatically ineffective (Article 10, International Arbitration Code and Article 426, Civil Procedure Code).

Article 10(D) of the International Arbitration Code and Article 428 of the Civil Procedure Code set out mandatory minimum content requirements for a request for arbitration, such as:

- The names, titles, and addresses of the parties, and their representatives.
- The arbitration clause or agreement.
- The contract or legal relationship under which or in connection with the dispute has arisen.
- The facts underlying the claim, the subject matter of the dispute, its value, and the relief sought.

## Applicable Rules and Powers

18. What procedural rules are arbitrators bound by? Can the parties determine the procedure that applies? Does the law provide any default rules governing procedure?

## Applicable Procedural Rules

The parties are free to determine the procedural rules in their arbitration agreement or after the arbitration begins. In practice, the parties often agree to apply institutional arbitration rules.

Most procedural rules in the International Arbitration Code and the Civil Procedure Code are not mandatory but some are (see [Question 2](#)).

## Default Rules

If the parties have not determined the procedural rules of the arbitration, Articles 8 to 12 of the International Arbitration Code and Articles 410 to 442 of the Civil Procedure Code contain default procedural rules that will apply.

## Evidence and Disclosure of Documents

19. Are there any mandatory or default rules governing disclosure or production of evidence? Can the parties set the rules on disclosure of documents and production of evidence by agreement?

In international and domestic arbitrations, the parties can agree rules on disclosure of documents and production of evidence in their agreement. In international arbitrations, the parties usually agree that the *IBA Rules on the Taking of Evidence in International Arbitration* apply as guidance, which offer tools for a limited search for evidence (for example, a specific document or categories of documents) relevant and material to the arbitration outcome. There is no obligation to disclose a document if disclosure would be burdensome or relate to confidential and privileged documents (Article 9-b, c, and e, IBA Rules on the Taking of Evidence in International Arbitration).

An arbitral tribunal can order documents to be produced, compel fact and expert witnesses to appear at a hearing, and conduct site examinations, but does not have power to enforce such orders (Article 12A(1), International Arbitration Code).

If the parties do not co-operate, the tribunal can request assistance from a local court which will apply the Civil Procedure Code (Article 12B, International Arbitration Code). A similar principle applies slightly differently in domestic arbitration, where a party can request assistance from a local court with the tribunal's approval (Article 432, Civil Procedure Code).

In litigation in a Turkish court, the parties must submit to the court all documents in their possession that they or the opposing party rely on as evidence. Other than that, there is no general duty to disclose documents and a party is not obliged to disclose a document that is detrimental to them. A Turkish court can order a party to disclose a specific document but this power is only used in exceptional circumstances. The party ordered to submit such a document may still avoid its disclosure. In this situation, the court may, depending on the circumstances, accept the other party's statement regarding the content of the document (Article 220, Civil Procedure Code).

Only a court (not an arbitral tribunal) can order an official authority or a third party to disclose a document that is not in the parties' possession (Article 195, Civil Procedure Code).

A court can compel a third party or an authority to disclose a document if it is required to prove the parties' claims (Article 221, Civil Procedure Code) and this power is commonly used by courts in Türkiye. Certain exemptions to disclosure of documents may apply. The grounds for refusing to testify also apply to third parties' disclosure of documents. These could be personal reasons (such as blood and affinity relationships as defined by law) or a confidentiality obligation imposed by law (such as attorney-client privilege or trade secrets).

If a person refuses to testify without an exemption they are subject to a fine for the costs caused due to not complying with the court's request. If a person refuses to respond to the court's questions or to take an oath, they can be subject to up to two weeks' imprisonment. The same principle may apply to a party who refuses to submit a document on the court's request. A person who hides an original private document is subject to between one to three years' imprisonment (Article 208, Criminal Code). Alternatively, an arbitral tribunal can draw adverse inferences from a party's refusal to disclose evidence, in relation to document production or the appearance of a fact witness.

20. How, in practice, does the scope of disclosure in arbitrations compare with disclosure in domestic court litigation?

See [Question 19](#). The scope of disclosure in arbitration in Türkiye is generally wider than in domestic court litigation, as arbitration provides greater procedural flexibility. However, it is ultimately influenced by the arbitration agreement, the rules chosen, the arbitrator's discretion, and the parties' willingness to agree to wider disclosure.

## Confidentiality

21. Is arbitration confidential? If so, what is the scope of that confidentiality and who is subject to the obligation?

Arbitration is not automatically confidential and if the parties want the arbitration proceedings to be confidential it is advisable to execute a confidentiality agreement. If the parties fail to agree confidentiality, a party can apply to the tribunal to make the proceedings confidential.

The scope of the confidentiality obligation depends on the parties' agreement or the tribunal's decision. The typical scope of confidentiality can include the arbitration's existence, documents, submissions, hearings, and awards, depending on the agreement or rules applied. Obligations generally bind the parties, arbitrators, and institutions, but other participants like witnesses and experts may also be included through specific arrangements.

In some cases, arbitration institution rules may impose a confidentiality obligation. For example, Article 21 of the ISTAC Arbitration Rules states that the arbitral proceedings are confidential unless otherwise agreed by the parties.

## Courts and Arbitration

22. What are the court's powers to intervene to assist arbitration proceedings seated in their jurisdiction?

A court can only intervene in arbitration proceedings in limited circumstances to assist the arbitration (Article 3, International Arbitration Code and Article 411, Civil Procedure Code), for example:

- To appoint and remove arbitrators (see [Question 16](#)).

- If the parties fail to agree to extend the duration of the arbitration proceedings (which is originally provided as one year under Article 10B of the International Arbitration Code and Article 427 of the Civil Procedure Code) a party can request a local court to extend the proceedings before the proceedings expire.
- To grant interim relief (see [Question 25](#)). A party can also ask a court to enforce interim relief ordered by the tribunal if the counterparty does not comply with the interim relief (Article 6(3), International Arbitration Code). In a domestic arbitration, if the arbitrator, the arbitral tribunal, or another person appointed by the parties is unable to act in a timely or effective manner, either party can apply to the court for interim measures or evidence preservation. If such circumstances do not exist, an application to the court can only be made with the permission of the arbitrator or the arbitral tribunal or based on the parties' written agreement on this matter (Article 414(3), Civil Procedure Code).
- To obtain evidence (see [Question 19](#)).

In an international arbitration subject to the International Arbitration Code, the Turkish civil or commercial first instance court of where the defendant resides or has a place of business has jurisdiction over arbitration-related applications. If the defendant does not reside or have a place of business in Türkiye, the Istanbul civil or commercial courts have jurisdiction over arbitration-related applications.

In a domestic arbitration subject to the Civil Procedure Code, the civil or commercial first instance court of the place of the arbitration has jurisdiction over arbitration-related applications. If the place of arbitration is not determined, the civil or commercial court of first instance where the defendant resides or has a place of business has jurisdiction over arbitration-related applications.

23. In what circumstances might a local court interfere to frustrate an arbitration seated in its jurisdiction?

A local court can only intervene in arbitration proceedings on limited grounds to assist the arbitration (see [Question 22](#)) or to set aside an arbitral award on limited grounds (see [Question 27](#)).

## Insolvency

24. What is the effect on the arbitration of pending insolvency of one or more of the parties to the arbitration?

If a party to an arbitration becomes insolvent, its bankruptcy trustee takes over the position of the insolvent party, who can pursue the arbitration or any related claims in the local courts.

If a party to an arbitration becomes insolvent, the arbitration tribunal must postpone the arbitration proceedings and notify the interested parties to see whether they intend to continue the arbitration. In this case, the duration of the arbitration is suspended (Article 11B, International Arbitration Code).

If this notification is not made or the party's bankruptcy trustee does not continue the arbitration proceedings within six months of the notification, the tribunal will end the arbitration proceedings without giving a decision on the merits of the dispute (Article 11B, International Arbitration Code).

Turkish bankruptcy law requires all claims to be registered in insolvency proceedings, including arbitration claims.

## Remedies

### Interim Remedies

25. What interim remedies are available from the tribunal?

### Interim Remedies

A party can request from the tribunal all forms of interim relief to secure their rights before or during the arbitration proceedings, including an interim injunction and interim attachment order, unless otherwise agreed by the parties. However, an arbitral tribunal cannot grant an interim remedy that binds a third party or that must be executed by an official authority or execution office such as an attachment of assets, freezing bank accounts, and an injunction on a transfer of a property (Article 6(2), International Arbitration Code). This must be requested from a court (see [Question 22](#)).

### Without Notice Applications

There is no specific provision allowing an arbitral tribunal to order without notice interim relief. Interim relief is often sought to stop a present danger or risk from the counterparty, so for full effect it can be requested in the absence of the counterparty. However, without notice interim relief is usually only allowed in a specific provision and the International Arbitration Code is silent on this issue, so an arbitration tribunal is likely to hesitate before granting without notice interim relief.

This issue is legally controversial. According to one view, the conditions to grant interim relief should be the same as in the Civil Procedure Code and without notice interim reliefs should be allowed accordingly.

Another view suggests that the International Arbitration Code is intentionally silent on this issue, and that the conditions for interim relief should be determined at the arbitral tribunal's discretion. Further, Article 11 of the International Arbitration Code states that petitions, information, and other documents submitted to the arbitrator or arbitral tribunal must be notified to the parties, which may also discourage the tribunal from granting interim relief without notice. It is very common in litigation, but not in arbitration.

## Security

An arbitral tribunal can order, by its own motion or on a party's request, the party applying for interim relief to provide security as a precondition of granting the interim relief (Article 6, International Arbitration Code and Article 414, Civil Procedure Code). In Turkish law, the purpose of this security is to compensate the potential damages that may be incurred by the opposing party and third parties if the claim is found unjust. In court proceedings, it is generally 15% to 20% of the amount in dispute.

## Final Remedies

26. What final remedies are available from the tribunal?

The tribunal can grant the following remedies:

- Damages. Punitive damages are not allowed under Turkish law.
- Specific performance.
- Establishing, modifying, or terminating a legal relationship.
- Declaratory judgment.
- Costs and interest.
- Publication of the award in a national newspaper.

## Appeals

27. Can an arbitral award be appealed or challenged in the local courts? What are the grounds and procedure? Can the parties waive any rights of appeal or challenge to an award by agreement before the dispute arises?

### Rights of Appeal or Challenge

An arbitral award can be set aside in a local court.

### Grounds and Procedure



Setting aside proceedings must be initiated before the competent regional appellate court, within 30 days (Article 15, International Arbitration Code) or one month (Article 439, Civil Procedure Code) from notification of the award or any revision, interpretation, or addition to the award by the arbitral tribunal.

An arbitral award can be set aside on any of the following grounds:

- A party does not have legal standing.
- The arbitration clause is invalid.
- Procedural errors in appointing the arbitrators.
- The arbitral award was not granted within the legal period of one year (Article 10B, International Arbitration Code and Article 427, Civil Procedure Code) (see [Question 22](#)).
- The arbitrator or arbitral tribunal did not have jurisdiction (competence) to hear the dispute or issued a non-competent decision contrary to law (see [Question 6](#)).
- The arbitrator or the arbitral tribunal has rendered a decision on a matter outside the scope of the arbitration agreement, has failed to address the entirety of the claim, or has exceeded its authority.
- Procedural errors affecting the merits of the decision in the conduct of the arbitration proceedings.
- A party was treated unfairly.
- The subject matter of the dispute is not appropriate for arbitration under Turkish law.
- The award is contrary to public order.

(Article 15, International Arbitration Code and Article 439, Civil Procedure Code.)

A setting aside proceeding is resolved by an expedited procedure under the International Arbitration Code and the Civil Procedure Code. The parties can submit all their arguments and evidence with their petitions and cannot submit rebuttal or rejoinder petitions. The court will then give its decision, if possible without a hearing.

The decision of the Regional Appellate Court can be appealed to the Court of Cassation but only on the grounds listed above.

## Waiving Rights of Appeal

A party can waive its right to file an action to set aside an arbitral award, in the arbitration agreement or during the proceedings (Article 15, International Arbitration Code). This does not apply to a domestic arbitration under the Civil Procedure Code. Under Turkish law, parties cannot waive rights that have not yet arisen, so a party cannot waive its right to file an action to set aside an arbitral award in the arbitration agreement or during the proceedings under the Civil Procedure Code. However, a party can waive its right to appeal a decision in an action to set-aside an arbitral award once the decision is made.

28. What is the time limit to challenge or appeal an arbitration award rendered inside your jurisdiction?

See [Question 27](#). A setting aside action automatically suspends the enforcement of the award (Article 15, International Arbitration Code and Article 439, Civil Procedure Code).

## Costs

29. What legal fee structures can be used? Are fees fixed by law?

Attorneys' fees cannot exceed 25% of the value in dispute (Article 164, Advocacy Code). Subject to this limit, the parties can agree any legal fee structure, including hourly rates, capped fees, or a contingency fee (that is, a conditional fee arrangement providing for a bonus in case of a successful outcome). All of these are common in Türkiye, but hourly rates and capped fees are more commonly used by corporate law firms.

An attorney cannot charge below the minimum fee set out by the Minimum Attorneyship Fee Tariff published annually by the [Union of the Turkish Bar Associations](#).

The parties and the arbitral tribunal or the sole arbitrator can agree the arbitrators' fees, considering the amount and nature of the dispute and duration of the arbitration (Article 16, International Arbitration Code and Article 440, Civil Procedure Code). Unless agreed otherwise by the parties, the chairperson's fee is 10% more than the fee paid to each arbitrator. Arbitrators' fees can also be determined according to international precedents or institutional arbitration rules. For example, a cost calculator can be used (see the [ISTAC: Calculator](#), which is often used in a domestic arbitration and/or international arbitrations seated in Türkiye). If the parties cannot agree the arbitrators' fees, they are determined according to a yearly tariff issued by the Ministry of Justice.

Third party funding is not explicitly regulated under Turkish law, but it is allowed and available under general contract law principles under the Turkish Code of Obligations. Interest in and awareness of third-party funding is increasing, particularly in arbitration, but there are no significant domestic third-party funding providers focusing exclusively on litigation or arbitration in Turkey.

30. Are there any mandatory or default rules governing the allocation of costs?

## Costs Allocation

Generally, the unsuccessful party pays the costs of the arbitration, including costs incurred by the successful party. Turkish law endorses the costs-follow-the-event approach (Article 442 al.4, Civil Procedure Code and Article 16D, International Arbitration Code) but this is not mandatory and the parties can agree a different structure.

Some arbitral institutions empower the tribunal to take into account the parties' conduct during the arbitration proceedings when determining the allocation of costs. In these cases, the arbitral tribunal can use its wide discretion to allocate the costs between the parties.

The parties can agree how costs are calculated but they do not usually do so. The relevant arbitral institution rules on the calculation of costs usually apply. Costs include:

- The arbitrators' fees (see [Question 29](#)) (and secretariat fee determined by the arbitrators under the Civil Procedure Code).
- The arbitrators' travel and other expenses.
- On-site examination expenses and fees paid to experts appointed by the arbitrators or whose assistance has been referred to in the proceedings.
- Travel fees and other expenses of witnesses if approved by the arbitrators.
- Attorney fees of the winning party determined under the Minimum Attorneyship Fee Tariff.
- Litigation costs incurred in court applications.
- Notification expenses for the arbitration proceedings.

(Article 441, Civil Procedure Code and Article 16, International Arbitration Code.)

In practice, the arbitral tribunal asks the parties to make a costs submission, in which the parties submit the costs incurred for the arbitration.

## Factors Considered

See above, [Costs Allocation](#). In calculating costs, the arbitral tribunal takes into account whether the costs were actually incurred and whether they were reasonable and appropriate to pursue the parties' claims and defences.

### Contributor Profiles

#### Beril Yayla Sapan, Partner

##### Gün + Partners

T +90 212 354 0005

E [beril.yayla@gun.av.tr](mailto:beril.yayla@gun.av.tr)

W <https://gun.av.tr/>

**Professional and academic qualifications.** Türkiye, Lawyer; Economy Law, Faculty of Law, Galatasaray University, Istanbul LL.M., 2012; Faculty of Law, Bilkent University, Ankara LL.B., 2008

**Areas of practice.** Employment law; dispute management; business crime and anti-corruption; administrative, tax and regulatory.

**Languages.** English, Turkish.

**Professional associations/memberships.** Ethics and Reputation Society (TEID), Board Member; International Bar Association (IBA).

**Asena Aytu# Keser, Managing Associate**

Gün + Partners

**T** +90 212 354 0005

**E** [asena.keser@gun.av.tr](mailto:asena.keser@gun.av.tr)

**W** [www.gun.av.tr](http://www.gun.av.tr)

**Professional and academic qualifications.** Türkiye, Lawyer; Faculty of Law, #stanbul Bilgi Üniversitesi, #stanbul L.L.B, 2011

**Areas of practice.** Dispute management; employment law; business crime and anti-corruption; insurance and reinsurance; administrative, tax, and regulatory; construction and real estate.

**Languages.** English, Turkish

**Kardelen Dorken, Associate**

Gün + Partners

**T** +90 212 354 0005

**E** [kardelen.dorken@gun.av.tr](mailto:kardelen.dorken@gun.av.tr)

**W** [www.gun.av.tr](http://www.gun.av.tr)

**Professional and academic qualifications.** Türkiye, Lawyer; Faculty of Law, #stanbul University, #stanbul LL.B, 2019

**Areas of practice.** Business crime and anti-corruption; employment law; dispute management; data protection and privacy; corporate and M&A.

**Languages.** English, Turkish, French.

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