

# Significant amendments to Enforcement and Bankruptcy Law introduced

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## Introduction Amendments

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The Law amending the Enforcement and Bankruptcy Law and Other Laws (the Amendment Law) was published in the *Official Gazette* 30361 and entered into force on 15 March 2018. The most significant amendments introduced to the Enforcement and Bankruptcy Law are:

- the abrogation of the postponement of bankruptcy procedure; and
- the adoption of a more efficient and functional structure for the composition with creditors procedure, which is a court-approved agreement between debtors and creditors.

### Amendments

The composition with creditors procedure is regulated under the Enforcement and Bankruptcy Law, but has not been actively used in practice. In order to create a more effective and functional composition with creditors procedure, the following amendments have been made:

- The periods concerning composition with creditors procedures have been shortened.
- The courts having jurisdiction have been changed from enforcement to first-instance commercial courts.
- Detailed announcement and notification procedures have been regulated in order to:
  - establish the certainty of the procedures until the composition with creditors is approved; and
  - increase the ability of creditors to collect their receivables.
- Documents to be attached to a composition with creditors have been redefined with a view to monitoring the debtor's financial situation in a clearer and more detailed way.
- An efficient method has been established to:
  - assure the conclusion of a composition with creditors and avoid the debtor's bankruptcy once the composition's conditions have been met; and
  - allow for the continuation of the debtor's commercial activities.

Additional amendments introduced include:

- the introduction of an order regarding the priority rights of pledgees on sales prices; and
- the shortening of the period for the bankruptcy office to decide on the type of bankruptcy and creditors' list.

In addition, in the liquidation of a bankrupt estate and the encashment process in enforcement proceedings by way of seizure, the liquidation of goods and rights (which form a commercial integrity or are established to generate a higher revenue when sold together) as a whole has been made mandatory.

For further information on this topic please contact [Beril Yayla Sapan](#) or [Asena Aytuğ Keser](#) at Gün

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