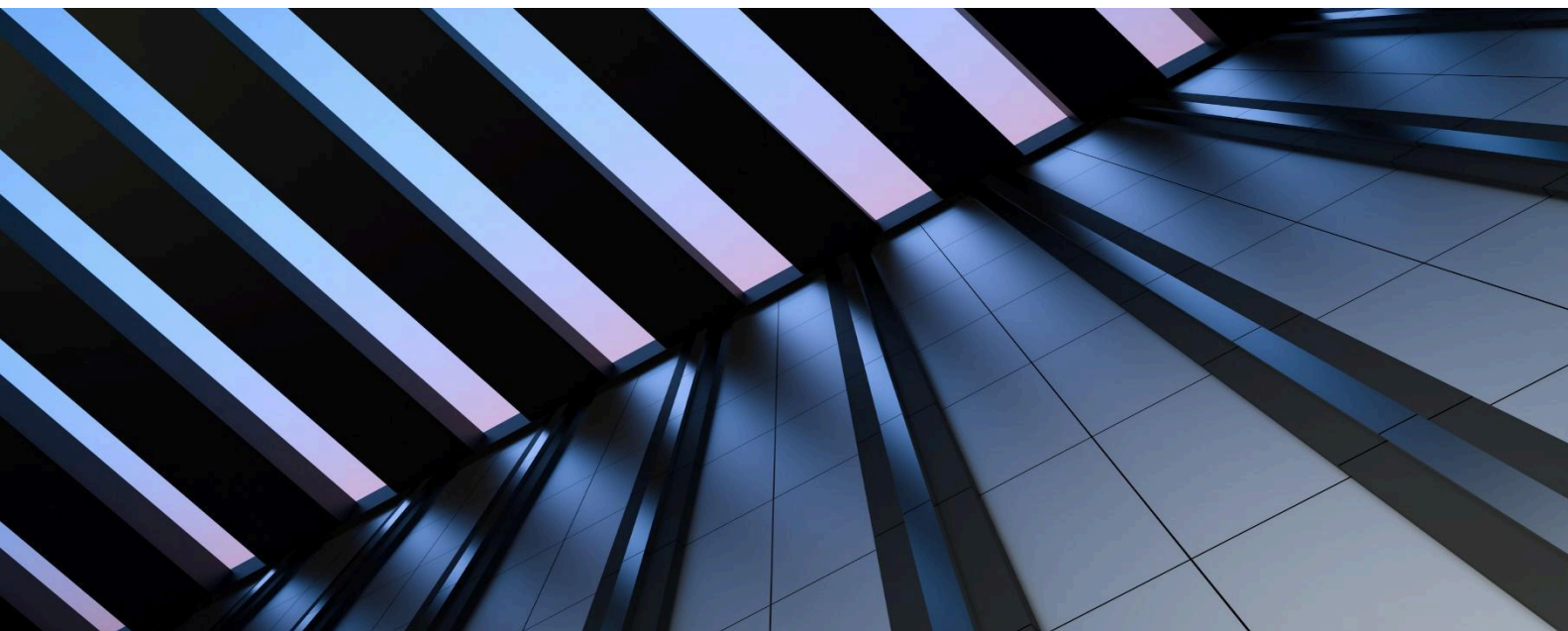


Amendments to the Consumer Protection Law and Related Legislation



On October 30, 2024, the Turkish Official Gazette published Law No. 7529, titled “Law Amending the Consumer Protection Law and Certain Laws,” introducing significant changes to consumer rights, direct selling systems, and electronic commerce regulations.

Key Amendments:

1. Direct Selling Systems:

- **Definition and Requirements:** A new Article 47/A defines direct selling systems as those established by capital companies where independent sellers (e.g., representatives, distributors) market goods or services to consumers without an employment relationship. The law mandates that such systems must not primarily base earnings on recruiting new sellers but should focus on actual sales to consumers.
- **Prohibition of Pyramid Schemes:** The amendment explicitly prohibits pyramid sales schemes, imposing administrative fines for violations to protect consumers from fraudulent practices.

2. Consumer Credit and Housing Finance Contracts:

- **Form of Contracts:** The amendments allow consumer credit and housing finance contracts to be concluded not only in written form but also through remote communication means, enhancing flexibility in contract formation.
- **Account Closure Procedures:** The law permits consumers to request the closure of accounts related to fixed-term credit agreements via durable data storage devices, streamlining the process and reducing administrative burdens.

3. Administrative Fines and Enforcement:

- **Increased Penalties:** The amendment revises administrative fines for violations of consumer protection provisions, considering factors such as the nature of the violation, benefits obtained, harm caused, fault, and economic conditions of the violator, thereby enhancing deterrence against non-compliance.

4. Electronic Commerce Regulations:

- **License Fee Adjustments:** Changes to the Electronic Commerce Law introduce exemptions and reductions in license fees for intermediary service providers, excluding international sales from calculations and offering deductions for investment expenditures, aiming to promote e-commerce activities.

Implications for Businesses:

- **Compliance Requirements:** Businesses engaged in direct selling must ensure their operations comply with the new legal framework, focusing on genuine sales rather than recruitment-based earnings, to avoid penalties.
- **Contractual Flexibility:** Financial institutions should update their contract procedures to accommodate remote communication methods, providing consumers with more accessible options for credit agreements.
- **E-commerce Considerations:** Electronic commerce platforms should review the amended license fee structures and adjust their financial planning accordingly to benefit from the new exemptions and reductions.

Conclusion:

The amendments to the Consumer Protection Law and related legislation strengthen consumer rights, regulate direct selling practices, and adjust electronic commerce regulations. Businesses operating in these sectors should promptly assess and align their practices with the new legal requirements to ensure compliance and avoid potential sanctions.