

What Unfair Price Assessment Board Brings to Turkish Law?

During Covid-19 outbreak some businesses exorbitantly increased the prices of masks, disinfectants, colognes, wet wipes and foodstuff in contrast with the normal functioning of the market. This caused these entities taking unfair advantage because of the negative impact of the coronavirus on consumers and this exorbitant increase of prices started negatively affecting the usual purchasing behavior of the consumers.

Unfair Price Assessment Board has recently been established by Law on Regulation of Retail Trade numbered 6585 ("Law No. 6585") through the amendments made by Law No. 7244 on Reducing the Effects of the Novel Coronavirus Outbreak on Economic and Social Life and Amendments to Certain Laws. By the amendments made in the Law no. 6585 it was ruled that manufacturers, suppliers and retail businesses shall not conduct activities which result tightness in the market or disruption of the market balance and free competition and activities which might prevent consumers from easily accessing the goods in the market.

With this purpose in mind Unfair Price Assessment Board ("Board") was established and was empowered for making regulations in order to prevent exorbitant price increases and stockpiling practices of manufacturers, suppliers and retail businesses. The Board is entitled to monitor the market by making inspections over the businesses, to impose administrative fines and to take any kind of measures where necessary. The implementing legislation, namely Regulation on the Unfair Price Assessment Board, was published in the Official Gazette dated May 28, 2020 and immediately entered into force.

The Board is empowered to take the necessary measures to protect the market balance and consumers against unfair price increases and stockpiling practices of retail businesses regardless of whether they are in a dominant position in the market or not. The Board is authorized to determine the principles and rules on unfair pricing and stockpiling practices. The Board consists of thirteen members. The members are general managers and sector organizations representatives from Ministry of Trade, Ministry of Justice, Ministry of Treasury and Finance, Ministry of Industry and Technology, Ministry of Agriculture and Forestry. The Board requires simple majority to adapt a decision. The Ministry of Trade can publicly announce the Board's decisions to the public.

Consumers can make complaint to the Ministry of Trade or its Provincial Directorates. The Board is also entitled for ex officio supervision over the market. The sanction against exorbitant price increase is the administrative monetary fine ranging from TRY 10,000 to TRY

100,000. The sanction against acts causing scarcity in market, distorting the market balance and free competition or preventing consumers from easily accessing goods is the administrative monetary fine between TRY 50,000 and TRY 500,000.

Interim period was ruled by the Regulation. Complaints made before April 17, 2020 are subject to the authority of the Advertisement Board in terms of unfair commercial practices as per Consumer Protection Law no. 6502 as well as the Regulation on Commercial Advertisement and Unfair Commercial Practices based on provisions of unfair commercial practices.

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