

COVID-19 Suspended the Enforcement and Bankruptcy Proceedings and the Terms Until 30 April 2020

In scope of the measures taken to prevent COVID-19 outbreak from spreading within our country, the Presidential Decree on Suspension of the Enforcement and Bankruptcy Proceedings dated 21 March 2020 and numbered 2279 (“the Presidential Decree”), which was issued based on Article 330 of the Enforcement and Bankruptcy Act, has entered into force upon publication in the Official Gazette dated 22 March 2020 and numbered 31076.

As per this Presidential Decree, all of the enforcement and bankruptcy proceedings across the country, other than those that are related to maintenance receivables, will be suspended from the effective date of the Decree, which is 22 March 2020 (including this date), until 30 April 2020 (including this date), and no procedural actions of the parties will be processed, no further requests for enforcement or bankruptcy will be allowed, and the preliminary seizure decisions will not be enforced or executed.

In order to prevent losses of right in regard to trial proceedings due to the COVID-19 outbreak, The Law on Amendment to Some Laws No. 7226, which stipulates that the civil and administrative judicial terms will be suspended until 30 April 2020, has entered into force upon publication in the Official Gazette dated 26 March 2020 and numbered 31080.

According to the abovementioned Law, any and all terms in scope of the emergence, use or termination of a right, including the terms for commencing an enforcement proceeding, prescription periods, and statutory limitations have been suspended retrospectively from 13 March 2020 (including this date), until 30 April 2020 (including this date).

Parallel to the Presidential Decree, the Law also provides that;

- The terms specified under the Enforcement and Bankruptcy Code, and the terms of same kind under other laws, along with the terms determined by the judges or enforcement and bankruptcy offices;
- All of the enforcement and bankruptcy proceedings (other than the enforcement proceedings related to maintenance receivables),
- Processing of the parties’ requests in the ongoing proceedings; commencement of enforcement and bankruptcy proceedings,
- Requests pertaining to the enforcement and execution of preliminary attachment orders

have been suspended as of 22 March 2020 (including this date), until 30 April 2020 (including this date).

Furthermore, in scope of the Enforcement and Bankruptcy Code, and other laws related to proceedings law, it has been provided that;

- In the event that the date of sale announced by the enforcement and bankruptcy offices regarding the assets or rights falls within the suspension period, the enforcement and bankruptcy office will assign a new date for the sale of the assets or rights, after the suspension period is over, with no further requests required. In such case, the sale announcement will be made only on electronic platform, and no prices will be charged for announcement,
- The voluntary payments made within the suspension period will be allowed, and each of the parties will be entitled to take action that are in favour of the counter party,
- Concordatum term will continue to bear consequences for the creditor and the debtor during the suspension period,
- Other necessary measures will be taken to prevent the enforcement and bankruptcy services from being interrupted.

The Law No. 7226 also regulates how the terms will proceed following the expiry of the suspension period. In this vein;

- The suspended terms will resume as of the day following the end of the suspension period.

- If there are 15 or less days for the expiry of a term as of the beginning of the suspension period, that term will be deemed extended for further 15 days starting from the day following the end of the suspension period.
- In case of continuation of the reasons causing the suspension, the President is entitled to extend the suspension period once again for a maximum period of 6 months.