Labour & Employment

Contributing editors

Matthew Howse, Sabine Smith-Vidal, Walter Ahrens and Mark Zelek









Labour & Employment 2018

Contributing editors

Matthew Howse, Sabine Smith-Vidal, Walter Ahrens and Mark Zelek

Morgan Lewis & Bockius LLP

Reproduced with permission from Law Business Research Ltd This article was first published in May 2018 For further information please contact editorial@gettingthedealthrough.com

Publisher Tom Barnes tom.barnes@lbresearch.com

Subscriptions
James Spearing
subscriptions@gettingthedealthrough.com

Senior business development managers Adam Sargent adam.sargent@gettingthedealthrough.com

Dan White dan.white@gettingthedealthrough.com



Published by Law Business Research Ltd 87 Lancaster Road London, W11 1QQ, UK Tel: +44 20 3780 4147 Fax: +44 20 7229 6910

© Law Business Research Ltd 2018 No photocopying without a CLA licence. First published 2006 Thirteenth edition ISBN 978-1-78915-038-4 The information provided in this publication is general and may not apply in a specific situation. Legal advice should always be sought before taking any legal action based on the information provided. This information is not intended to create, nor does receipt of it constitute, a lawyer-client relationship. The publishers and authors accept no responsibility for any acts or omissions contained herein. The information provided was verified between March and April 2018. Be advised that this is a developing area.

Printed and distributed by Encompass Print Solutions Tel: 0844 2480 112

CONTENTS

Global overview	7	France	100
Mark E Zelek Morgan, Lewis & Bockius LLP		Sabine Smith-Vidal and Charles Dauthier Morgan, Lewis & Bockius LLP	
Pay equity and workplace culture in the #MeToo era	9	Germany	108
Matthew Howse and Louise Skinner		Walter Ahrens	
Morgan, Lewis & Bockius LLP		Morgan, Lewis & Bockius LLP	
Argentina	12	Greece	117
Mercedes Balado Bevilacqua and Analía Durán MBB Balado Bevilacqua Abogados		Theodoros Skouzos and Elena Ntafouli Iason Skouzos & Partners Law Firm	
Australia	19	Hong Kong	127
Joydeep Hor and Therese MacDermott People + Culture Strategies		Vivien Chan and Patty Chan Vivien Chan & Co	
Austria	26	India	133
Thomas Boller		Rohit Kochhar	
BLS Rechtsanwälte Boller Langhammer Schubert GmbH		Kochhar & Company	
Belgium	34	Indonesia	140
Emmanuel Plasschaert and Evelien Jamaels Crowell & Moring		Johannes C Sahetapy-Engel and Anissa Paramita AKSET Law	
Brazil	40	Ireland	146
Thiago Ramos Barbosa and André Blotta Laza Machado Associados Advogados e Consultores		Louise O'Byrne and Sarah Faulkner Arthur Cox	
Bulgaria	47	Italy	152
Maria Drenska and Maya Aleksandrova		Angelo Zambelli	
Pavlov and Partners Law Firm in cooperation with CMS Reich-Rohrwig Hainz Rechtsanwälte GmbH		Grimaldi Studio Legale	
Canada	52	Japan	161
Craig T Munroe, Clare Hauer and Jessica Forman	<u>53</u>	Motoi Fujii and Tomoko Narita TMI Associates	
Pulver Crawford Munroe LLP			
Chile	62	Kazakhstan	172
Enrique Munita, Paola Casorzo, Marcela Salazar,	- 02	Klara Nurgaziyeva, Marat Mukhamediyev and Zhamilya Bilisbekova	
María de los Ángeles Izquierdo and Paula García-Huidobro Munita & Olavarría - Ius Laboris Chile		Morgan, Lewis & Bockius LLP	
okin.	<i>(</i> -	Korea	178
China K Lesli Ligorner	69	Kwang-Sun Lee, Young-Hwan Kwon, Ja-Hyeong Ku and Jane Young Sohn	
Morgan, Lewis & Bockius LLP		Jipyong	
Colombia	77	Luxembourg	184
Vicente Umaña Carrizosa and Laura Mateus Montero Holland & Knight		Guy Castegnaro and Ariane Claverie Castegnaro	
Costa Rica	82	Malaysia	195
Alexander Godínez Vargas Bufete Godínez y Asociados		Selvamalar Alagaratnam, Siva Kumar Kanagasabai and Foo Siew Li Skrine	
Denmark	87	Maria	
Morten Langer Norrbom Vinding		Mexico Humberto Padilla Gonzalez	201
		Morgan, Lewis & Bockius LLP	
Ecuador	94	Monaco	206
Patricia Ponce Bustamante & Bustamante Law Firm		Sophie Marquet and Florence de Guzman de Saint Nicolas	200
Datamante & Dustamante Law 1 mm		CMS Pasquier Ciulla & Marquet	

Nigeria	212	Spain	271
Adekunle Obebe, Bode Adegoke and Demilade Omisore Bloomfield Law Practice		Iñigo Sagardoy and Ricardo García Fernández Sagardoy Abogados	
Norway	217	Sweden	279
Tore Lerheim and Ole Kristian Olsby Homble Olsby advokatfirma AS		Robert Stromberg and Jonas Lindskog Cederquist	
Peru	224	Switzerland	286
Renato Mejia Madrid and Flavia Zarins Wilding Miranda & Amado Abogados		Roberta Papa and Thomas Pietruszak Blesi & Papa	
Philippines	228	Thailand	293
Ronald Mark C Lleno, Emmar Benjoe B Panahon and Hans Cedric I Santos SyCip Salazar Hernandez & Gatmaitan		Pisut Rakwong and Nalanta Tonghorm Pisut and Partners	
		Turkey	299
Puerto Rico	234	Rıza Gümbüşoğlu, Pelin Baysal and Beril Yayla Sapan	
Melissa C Rodriguez Morgan, Lewis & Bockius LLP		Gün + Partners	
		United Arab Emirates	304
Russia	243	Charles Laubach and Tara Jamieson	
Bela Pelman and Dmitry Dmitriev Morgan, Lewis & Bockius LLP		Afridi & Angell	
		United Kingdom	310
Singapore	250	Matthew Howse, Lee Harding and Nicholas Hobson	
Ian Lim, Jamie Chin and Nicholas Ngo TSMP Law Corporation		Morgan, Lewis & Bockius LLP	
		United States	317
Slovakia	263	Thomas F Hurka, David A McManus and	
Pavol Rak Noerr s.r.o.		Michelle Seldin Silverman Morgan, Lewis & Bockius LLP	

Preface

Labour & Employment 2018

Thirteenth edition

Getting the Deal Through is delighted to publish the thirteenth edition of *Labour & Employment*, which is available in print, as an e-book, and online at www.gettingthedealthrough.com.

Getting the Deal Through provides international expert analysis in key areas of law, practice and regulation for corporate counsel, cross-border legal practitioners, and company directors and officers.

Through out this edition, and following the unique **Getting the Deal Through** format, the same key questions are answered by leading practitioners in each of the jurisdictions featured. Our coverage this year includes new chapters on Argentina, Canada, Colombia, Costa Rica, Ireland, Hong Kong, Nigeria, Peru and the Philippines.

Getting the Deal Through titles are published annually in print. Please ensure you are referring to the latest edition or to the online version at www.gettingthedealthrough.com.

Every effort has been made to cover all matters of concern to readers. However, specific legal advice should always be sought from experienced local advisers.

Getting the Deal Through gratefully acknowledges the efforts of all the contributors to this volume, who were chosen for their recognised expertise. We also extend special thanks to the contributing editors, Matthew Howse, Sabine Smith-Vidal, Walter Ahrens and Mark Zelek of Morgan Lewis & Bockius LLP, for their continued assistance with this volume.



London May 2018 Gün + Partners TURKEY

Turkey

Rıza Gümbüşoğlu, Pelin Baysal and Beril Yayla Sapan

Gün + Partners

Legislation and agencies

1 What are the main statutes and regulations relating to employment?

The main sources of employment law are as follows:

- · the Constitution;
- the Turkish Labour Act No. 4857 (the TLA);
- the Law on Trade Unions and Collective Bargaining Agreements No. 6356 (the Union Law);
- the Law on Civil Service Trade Unions and Collective Bargaining Agreements No. 4688;
- · the Maritime Labour Law No. 854;
- the Press and Media Labour Law No. 5953;
- the Turkish Code of Obligations No. 6098 (the TCO);
- the Occupational Health and Safety Law No. 6331;
- the Labour Courts Act No. 7036;
- the secondary laws and regulations including annual leave, working hours, overtime work, minimum wage and female and child employees;
- communiqués and circulars published by the Ministry of Labour and Social Security (the Ministry) with regard to the application and recommendation of the labour legislation;
- the Court of Appeal's Assembly of Civil Chambers' decisions on the unification of the conflicting judgments; and
- employment contracts, collective bargaining agreements, internal regulations and personnel regulations, workplace practices.

Is there any law prohibiting discrimination or harassment in employment? If so, what categories are regulated under the law?

Yes, the principle of equal treatment is regulated by article 5 of the TLA and it is not lawful to discriminate against employees based on their language, race, sex, political opinions, philosophical beliefs, religion, sex or similar reasons.

Also, the Law on Human Rights and Equality Institution of Turkey No. 6701 dated 6 April 2016 prohibits the employer from discriminating in terms of determination of the criteria or conditions of job application and recruitment.

Provisions of the TCO also protect employees from physical and psychological harassment (mobbing).

What are the primary government agencies or other entities responsible for the enforcement of employment statutes and regulations?

The Ministry is entitled to inspect the employers and issue administrative fines but their decisions are subject to judicial review. Both employers and employees can always refer the matter to the courts or the execution offices.

Worker representation

4 Is there any legislation mandating or allowing the establishment of employees' representatives in the workplace?

Establishing works councils is not regulated under Turkish law. However, trade unions can be established with at least seven employees and upon providing the procedure and principles regulated by the Unions and Collective Employment Agreements Law No. 6356; they can be established without prior authorisation and can have legal entity. Trade unions are authorised to assign a workplace union representative from among the employees.

5 What are their powers?

Trade unions should conduct their activities in compliance with the main business activity conducted in the workplace. Trade unions are entitled to:

- enter into collective bargaining with the employer union or employer and negotiate the terms and conditions of collective employment agreements;
- · act on behalf of the employees and represent them;
- take collective actions in order to enforce the terms and conditions of a collective bargaining agreement; and
- file actions and represent the employees or their successors during the proceedings in order to protect their rights arisen from the employment relationship.

Workplace union representatives are under the obligation of providing corporation, peace and harmonisation in the workplace between employees and employer, listening to the requests of the employees and solving their complaints, protecting employees' rights and assisting the practice of working terms and conditions regulated under the TLA and collective bargaining agreements.

Background information on applicants

Are there any restrictions or prohibitions against background checks on applicants? Does it make a difference if an employer conducts its own checks or hires a third party?

There is no specific regulation regarding background checks on applicants. The employer can conduct its own checks or hire a third party. Requesting criminal records is a particularly common practice in Turkey, but the employee's consent is required in such a case. In addition, any personal or health data of individuals is highly protected and employers and third parties hired by employers shall comply with the provisions of the Law on Protection of Personal Data and regulations regarding the protection of health data.

7 Are there any restrictions or prohibitions against requiring a medical examination as a condition of employment?

The employer can require a medical examination as a condition of employment but the applicant's consent is required for such a medical examination. The employer may refuse to hire an applicant who does not submit to an examination. However, the employer should not have an intention of discrimination by doing so.

8 Are there any restrictions or prohibitions against drug and alcohol testing of applicants?

The applicant's consent is required for drug and alcohol tests. The employer may refuse to hire an applicant who does not submit to a test.

TURKEY Gün + Partners

Hiring of employees

9 Are there any legal requirements to give preference in hiring to, or not to discriminate against, particular people or groups of people?

According to the TLA, employers that employ at least 50 employees are required to employ disabled persons. Otherwise the employers would be subject to administrative fines.

10 Must there be a written employment contract? If yes, what essential terms are required to be evidenced in writing?

Under Turkish law, it is not mandatory to conclude employment contracts in writing. The written form is only mandatory for fixed-term employment contracts. However, if the contract is not to be concluded in writing, then it is necessary to provide the employee with a written document, within two months at the latest, showing the general and special conditions of work, the daily or weekly working time, the basic salary and any salary supplements, the time intervals for remuneration and conditions concerning the termination of the contract.

11 To what extent are fixed-term employment contracts permissible?

There must be an objective reason such as completion of a specific job to conclude a fixed-term employment contract. A fixed-term employment contract cannot be renewed unless there is an objection reason.

12 What is the maximum probationary period permitted by law?

The probationary period can be a maximum of two months and its duration should be indicated in an employment contract. The probationary period can be extended up to four months by collective labour agreements.

13 What are the primary factors that distinguish an independent contractor from an employee?

Employees are dependent; they do work in line with the instructions of the employer in return for a salary. Independent contractors work independently, can determine their own service hours and can issue invoices in their own name.

14 Is there any legislation governing temporary staffing through recruitment agencies?

The Omnibus Law No. 6715, published on 20 May 2016, has amended the TLA and introduced temporary staffing through recruitment agencies. Also, the Regulation regarding private employment agencies (the Regulation) was published on 11 October 2016. The agencies must be authorised by the Turkish Labour Institution. The TLA defines limits on the use of agency workers.

Foreign workers

15 Are there any numerical limitations on short-term visas? Are visas available for employees transferring from one corporate entity in one jurisdiction to a related entity in another jurisdiction?

The Law No. 6458 Concerning Foreigners and International Protection regulates foreign workers. As a rule, all foreign nationals must obtain a visa. However, there are some exceptions, such as citizens of countries that are exempt from visa procedure under international agreements and Council of Ministers decisions and foreign nationals having obtained residence or work permits.

The types of short-term visas are enumerated in a non-exhaustive way. According to the Regulation on the Application of the Law No. 6458, foreigners who enter Turkey for professional purposes, official visits, business meetings, etc, can obtain a tourist visa or business visa. Those who remain in Turkey for more than 90 days should obtain a work permit.

There is no exceptional visa concerning employees transferring from one corporate entity in one jurisdiction to a related entity in another jurisdiction.

16 Are spouses of authorised workers entitled to work?

The Law No. 6735 Concerning International Workforce does not provide any general provision with regard to the accompanying family members with one exception. Accordingly, spouses and dependent children of Turquoise Card owners will benefit from a long-term residence permit that allows one to stay in Turkey for an unlimited period of time. Turquoise Cards are given if the applicant meets certain criteria with respect to their education level, professional experience, contribution to science and technology and other factors set by the administration. It gives the same rights as a permanent work permit.

17 What are the rules for employing foreign workers and what are the sanctions for employing a foreign worker that does not have a right to work in the jurisdiction?

The Ministry prepares and issues the evaluation criteria. Accordingly, employers and foreign nationals must fulfil the requirements specified as evaluation criteria, some of which are listed as follows:

- at least five Turkish nationals shall be employed at the workplace for which the work permit application has been filed;
- the foreign partner of the company requesting a work permit shall have at least 20 per cent of the shares in the company provided that their share equals to or exceeds 40,000 Turkish lira; and
- the paid capital of the workplace shall be at least 100,000 Turkish lira or its minimum gross sales shall be 800,000 Turkish lira or the export amount in the last year shall be at least US\$250,000.

The salary to be paid to the foreign national shall be compatible with his or her duty and competence at the workplace. In this regard, the minimum levels of the salary to be granted to the foreign national are determined by the Ministry considering the characteristics of the job and the minimum wage in force as of the application date. However, foreign direct investment regulations provide simplified conditions for key personnel to be employed under these investments and liaison offices. Accordingly, such companies are entitled to hire key personnel without being subject to the evaluation criteria explained above.

Administrative fines are as follows:

- 7,130 Turkish lira for employers employing foreign personnel without a work permit (for each foreign personnel);
- 2,851 Turkish lira for foreign nationals working dependently without a work permit;
- 5,704 Turkish lira for foreign nationals working independently without a work permit; and
- 475 Turkish lira for foreign nationals working independently and employers employing foreign personnel who do not fulfil their obligation to notify the Ministry.

18 Is a labour market test required as a precursor to a shortor long-term visa?

In evaluating an application for a work permit, the Ministry requires the applicant to complete a resident labour market test to demonstrate that the role cannot be filled with a resident worker. For this purpose, certain factors such as specific details of the job, education of the foreign national, previous employment in the relevant market and whether there are any resident employees with similar capabilities must be taken into account when justifying the employment of a foreign national instead of a Turkish citizen.

This evaluation is made by the Ministry by taking into consideration the decisions of the International Workforce Policy Advisory Board that will be established according to the Law on International Workforce and the opinion of administrative bodies and professional associations in the relevant field, if necessary.

Terms of employment

19 Are there any restrictions or limitations on working hours and may an employee opt out of such restrictions or limitations?

Employees can work a maximum 45 hours per week. Working hours can be distributed over the working days on the condition that the daily working hours do not exceed 11 hours on any one working day. The maximum night working hours are 7.5 hours. Overtime work cannot exceed 270 hours per year. Employees cannot opt out of such restrictions.

Gün + Partners TURKEY

20 What categories of workers are entitled to overtime pay and how is it calculated?

In principle, all employees are entitled to receive overtime payment. Employees are entitled to overtime payment for all overtime exceeding 45 hours per week at 1.5 times their hourly rate. However, if the weekly working hours are less than 45 hours, a 1:1.25 ratio will be applied up to the 45 hours.

21 Can employees contractually waive the right to overtime pay?

It is possible to provide in the employment contract that the salary of an employee includes overtime of up to 270 hours per year without additional pay provided that the salary of the employee is higher than the minimum wage.

22 Is there any legislation establishing the right to annual vacation and holidays?

Employees shall be granted paid annual vacation provided that they have worked for at least one year, including the probationary period. If the term of the employee's service is one to five years (inclusive), the holiday period must be at least 14 working days. If the term of the employee's service is five to 15 years, the holiday period must be at least 20 working days. If the term of the employee's service is 15 years and over, the holiday period must be at least 26 working days. However, these periods can be increased through the employment contracts.

Paid annual vacation may not be less than 20 days for employees aged 18 years or less and those aged 50 years or older.

23 Is there any legislation establishing the right to sick leave or sick pay?

Yes, Social Security and General Health Insurance Law No. 5510 regulates sick pay.

If the sick employee has not been working for three or more days, he or she should submit a medical report and the employer is obliged to notify the Social Security Institution. In such a case, the employer is not required to pay salary to the employee who has a medical report. Instead, the Social Security Institution makes the payment to the employee.

24 In what circumstances may an employee take a leave of absence? What is the maximum duration of such leave and does an employee receive pay during the leave?

There are several types of leaves of absence, such as marriage, maternity, breastfeeding and paternity leave.

Female employees are entitled to take paid maternity leave for a period of 16 weeks (ie, eight weeks before and eight weeks after confinement). In case of multiple pregnancy, an extra two-week period shall be added to the eight weeks before confinement.

Until the child reaches the age of one, the female employee is also entitled to one-and-a-half hours a day for breastfeeding. The father is entitled to take five days of paid paternity leave.

In case of a marriage, the employees are entitled to three days of paid leave. The employees are entitled to three days of paid leave following the death of the employee's mother, father, spouse, brother, sister or child.

25 What employee benefits are prescribed by law?

Salary, social security contributions, paid annual leave, paid sick leave, general health insurance contribution, weekends, public holidays, official holiday salaries, overtime payments, maternity leave or paternity leave pays are main mandatory benefits. The employer may also provide to employees additional voluntary benefits.

26 Are there any special rules relating to part-time or fixed-term employees?

A part-time employee's weekly work time is determined as less than an equivalent worker working on a full-time basis. According to the relevant regulation, a 2:3 ratio must be applied for part-time work. That means if the working time is 45 hours, the part-time employee should work less than 30 hours.

There must be an objective reason to conclude a fixed-term employment contract. Otherwise it will be deemed as an indefinite-term agreement.

Provided that there is no essential reason, the employer cannot make discrimination between full-time and part-time employees or between an employee who works with a fixed-term agreement and one who works under an open-ended employment contract.

27 Must employers publish information on pay or other details about employees or the general workforce?

Pursuant to the Corporate Governance Communiqué of the Capital Markets Board of Turkey, publicly traded companies are required to disclose the amount of remuneration and all other benefits provided to board members and executives with administrative liabilities to the public through annual activity reports. Turkish Financial Reporting Standards (TFRS) also compels the salary amounts of senior executives to be published under notes on financial statements.

Post-employment restrictive covenants

28 To what extent are post-termination covenants not to compete, solicit or deal valid and enforceable?

Non-competition, non-solicitation clauses are generally included in employment agreements as post-employment restrictive covenants.

Non-competition obligations are regulated under the TCO. According to the TCO, the non-competition obligation must not jeopardise the employee's economic future and not be opposite to the equity principle. Therefore, it should be reasonably limited with regard to place, time and subject. The clause should be in writing and applicable for the employees who are in contact with customers and have access to the customers' trade secrets. Employees' usage of such knowledge must cause a significant damage to the employer. The restricted period should be limited to two years. It can exceed two years only in specific circumstances.

29 Must an employer continue to pay the former employee while they are subject to post-employment restrictive covenants?

No, the employer does not need to continue to pay the former employee while they are subject to post-employment restrictive covenants.

Liability for acts of employees

30 In which circumstances may an employer be held liable for the acts or conduct of its employees?

The employer may be held liable for the acts or conduct of its employees either by tort liability given as objective liability of the employer under the article 66 of the TCO or contractual liability given under article 116 as the liability arising out of the actions of the employer during the execution of the contract.

Article 66 of the TCO sets forth that: an employer is liable for the loss or damage caused by his or her employees or ancillary staff in the performance of their work unless the employer proves that he or she took all due care to avoid a loss or damage of this type; or the loss or damage would have occurred even if all due care had been taken. The employer has a right of recourse against the person who caused the loss or damage to the extent that such person is liable for damages.

As for the contractual liability, article 166 of the TCO states that a person who delegates the performance of an obligation or the exercise of a right arising from a contractual obligation to an associate, such as a member of his or her household or an employee, is liable to the other party for any loss or damage the associate causes in carrying out such tasks, even if their delegation was entirely authorised.

Taxation of employees

31 What employment-related taxes are prescribed by law?

Salary and other benefits provided to the employees are subject to income tax and stamp tax.

Employee-created IP

32 Is there any legislation addressing the parties' rights with respect to employee inventions?

Employee inventions are mainly regulated as per the IP Law No. 6769. As per the IP Law, service inventions are those that are made by the employee in the course of his or her employment, by virtue of his or her

TURKEY Gün + Partners

Update and trends

On 25 October 2017, the Labour Courts Act No. 7036 was published in the Official Gazette and officially came into effect. The Act aims to ease the judiciary's workload and accelerate the judicial process in employment cases.

The Labour Courts Act brought a number of changes to employment cases. The most important changes can be summarised as follows:

- mandatory mediation is introduced for both employers and employees prior to initiating lawsuits;
- · the procedure of reinstatement cases is amended; and
- the statute of limitations for several types of compensation is decreased to five years.

obligations, the tasks assigned to him or her, or those that are based to a large extent on the experience and work of the employer.

33 Is there any legislation protecting trade secrets and other confidential business information?

As per the TCO, the employee is under the confidentiality obligation during the employment and post-employment period, as long as it is required for the protection of the employer's rightful interest.

Also, the Turkish Criminal Code regulates criminal sanctions for those who illegally obtain and disclose trade secrets and confidential information.

Data protection

34 Is there any legislation protecting employee privacy or personnel data? If so, what are an employer's obligations under the legislation?

According to the TLA, employers are obliged to process an employee's data lawfully and in good faith; therefore, they cannot disclose an employee's personal data that the employee has a legitimate interest in keeping confidential.

As per the TCO, employers can use an employee's personal data only if it is related to the employee's tendency to work or execution of the employment agreement is required to do so.

On 7 April 2016, a new law on the protection of personal data came into force in Turkey. The Data Protection Law is mostly in line with the EU Directive 95/46/EC on Data Protection. The Data Protection Law does not have any specific provisions regarding the personal data of employees, but it regulates the protection of personal data generally.

Pursuant to the Data Protection Law, the employer is qualified as a data controller and is obliged to take all necessary technical and administrative measures that are necessary to ensure an appropriate level of security, in order to:

- prevent unlawful processing of the personal data;
- prevent unlawful access to the personal data; and
- ensure protection of the personal data.

The employer, as the data controller, is jointly liable with any third party that processes the personal data on its behalf. Furthermore, the employer must conduct necessary audits to ensure the implementation of provisions of the Data Protection Law.

In addition to the above, the employer shall comply with the following principles while processing the personal data:

- · being in line with the law and good faith;
- · being accurate and up to date;
- · processing the data for specific, clear and legitimate purposes;
- data process is related to, limited by and proportionate to the purpose for which the personal data is processed; and
- the personal data is stored for the time specified in the relevant legislation or the time required for the purpose for which the personal data is processed.

Business transfers

35 Is there any legislation to protect employees in the event of a business transfer?

According to the TLA, in case of transfer of an establishment or one of its sections to another person due to a legal transaction, the employment contracts existing in the establishment or in the transferred section on the date of the transfer shall automatically pass on to the transferee with all the rights and obligations involved. The TLA also sets forth that the transferor and transferee shall be jointly liable for the obligations that have materialised before the transfer and must be defrayed on the date of the transfer. The time limit for the liability of the transferor is two years following the date of the transfer.

According to the Turkish Commercial Code, in case of business transfers made by way of merger, demerger or the conversion of company type, the employment contract and the rights and obligations arising out of it can only be transferred to the new employer if the transferring employee does not object to such transfer of the employment relationship.

Termination of employment

36 May an employer dismiss an employee for any reason or must there be 'cause'? How is cause defined under the applicable statute or regulation?

Under Turkish labour law, an employment contract can be terminated by an employer either by serving the employee with notice, or terminating with immediate effect by relying on a just cause.

The TLA provides job protection to employees in particular cases. If an employee has been working for at least six months at a workplace that has 30 or more employees, the employer can only terminate the employment contract by relying on a valid reason or cause. An employer's representative and his or her deputies who are entitled to manage the entire enterprise with authorisation to hire and terminate employees cannot benefit from job protection provisions.

Valid reasons can be related to capability or behaviour of the employee, or the requirements of the enterprise, workplace or the work.

With regard to just causes, these are classified under three categories as follows: reasons of health; cases that are incompatible with morals, goodwill and similar circumstances; and force majeure. In case of just cause, the employment will be terminated with immediate effect.

37 Must notice of termination be given prior to dismissal? May an employer provide pay in lieu of notice?

Yes, if there is not just cause, notice of termination should be given prior to dismissal. However, instead of providing the employee with a notice period, the employer may choose to terminate the employment contract by providing pay in lieu of notice.

The TLA sets forth the minimum notice periods. If the length of the employee's service is less than six months, the notice period must be at least two weeks; if it is six to 18 months, it must be at least four weeks; if it is 18 months to three years, the notice period is six weeks and if it is more than three years, the notice period must be at least eight weeks. The parties can increase those periods through employment contracts.

38 In which circumstances may an employer dismiss an employee without notice or payment in lieu of notice?

If there is a just cause, the employer can dismiss an employee without notice or payment in lieu of notice. Also, during a probation period the employment can be terminated without notice or payment in lieu of notice.

39 Is there any legislation establishing the right to severance pay upon termination of employment? How is severance pay calculated?

If the employee has worked for the employer for at least one year, the employer must pay a severance payment at the rate of 30 days' gross salary for each full year as of the date on which the employment relationship between the parties commenced. Payment must be made pro rata to the service period of the employee within a year. The calculation of the severance payment must be made based on the latest gross salary. However, in any case the maximum amount to be paid to an employee as severance payment is currently 5,001.76 Turkish lira gross for each year. If the employment is terminated based on just cause for cases that are incompatible with morals and goodwill, the employer would not pay a severance payment.

Gün + Partners TURKEY

40 Are there any procedural requirements for dismissing an employee?

If the employer terminates the employment contract relying on a just cause for cases that are incompatible with morals, goodwill and similar circumstances, the employer must use his or her right within six working days as of the date when it learns the employee's act.

For employees that are subject to job security provisions, the employer must inform the employee of his or her low performance or misbehaviour and obtain his or her written statements regarding the reasons for his or her low performance or behaviour before terminating the employment. If the termination arises from the requirements of the business, workplace or the work, the employer should take an operational decision before terminating the employment.

The employer should state the termination reasons in writing in the termination letter.

Prior approval from a government agency is not required by law.

41 In what circumstances are employees protected from dismissal?

The TLA provides job protection to employees in particular cases. If an employee has been working for at least six months in a workplace that has 30 or more employees, the employer can only terminate the employment contract by relying on a valid reason cause.

42 Are there special rules for mass terminations or collective dismissals?

In case the employer terminates the employment contracts of at least 10 employees out of a total workforce of between 20 and 100 employees, or at least 10 per cent of the employees out of a total workforce or between 101 and 300 employees, or at least 30 employees out of a total workforce of 301 or more employees, within one month on the same date or different dates as a result of economic, technological, structural or similar enterprise, business or work requirements, it constitutes a collective dismissal.

As a first step the employer should take an operational decision. Then the employer should notify the trade union representative (if any), the Provincial Directorate of the Social Security Institution and the Turkish Employment Agency at least 30 days in advance. This notification must be in writing and include reasons for the termination, the number and group of employees to be dismissed and the time-frame for redundancy proceedings. Consulting with the trade union representative is also one of the procedural steps of the collective dismissal. Once the employer decides for collective dismissal, after informing official authorities, it is obliged to consult with the trade union representative.

According to the TLA, the termination notice will be deemed effective after 30 days of the employer's notification to the said official authorities.

43 Are class or collective actions allowed or may employees only assert labour and employment claims on an individual basis?

In principle, employees can assert labour and employment claims on an individual basis. However, trade unions can also file cases.

44 Does the law in your jurisdiction allow employers to impose a mandatory retirement age? If so, at what age and under what limitations?

Retirement of an employee is not sufficient to terminate the employment contract by the employer. However, according to the precedents of the court of appeals, if the employer determines a reasonable certain age limit for its employees and this limit is used in a general and objective manner to all employees, then a mandatory retirement age will be deemed lawful.

Dispute resolution

45 May the parties agree to private arbitration of employment disputes?

In principle, employment disputes are not deemed arbitrable. However, only reinstatement cases can be arbitrable provided that parties agree to settle the reinstatement dispute after the termination of the employment.

46 May an employee agree to waive statutory and contractual rights to potential employment claims?

No, under Turkish law, it is not possible to waive statutory and contractual rights to potential employment claims. If the parties settle before a court, there will be a valid waiver.

47 What are the limitation periods for bringing employment claims?

There are several limitation periods for bringing employment claims. For instance, the employee can file a reinstatement case within one month of the termination notice. The limitation period for annual leave payments, severance pay, notice pay, bad faith compensation and compensation to be paid for breach of equity principle is five years, as per the newly enacted Labour Courts Act No. 7036 . For compensation claims, the general statute of limitation is 10 years.

GÜN + PARTNERS

AVUKATLIK BÜROSU

Gün + Partners is a full service institutional law firm with an international and strategic vision.

The firm is one of the oldest and largest law firm in Turkey with over 70 lawyers, and is ranked among the top tier legal service providers.

The firm is based in Istanbul, with working offices in Ankara, Izmir. It provides services to local and international companies throughout Turkey.

The firm's lawyers are fluent in Turkish and English and also work in German, French and Russian. The firm's core areas of expertise are corporate and commercial, dispute resolution and Intellectual Property. It represents clients in numerous sectors with a particular focus on life sciences, insurance and reinsurance, energy and natural resources, TMT.

qun.av.tr

Getting the Deal Through

Acquisition Finance Advertising & Marketing

Agribusiness Air Transport

Anti-Corruption Regulation Anti-Money Laundering

Appeals
Arbitration
Art Law
Asset Recovery
Automotive

Aviation Finance & Leasing

Aviation Liability
Banking Regulation
Cartel Regulation
Class Actions
Cloud Computing
Commercial Contracts
Competition Compliance
Complex Commercial Litigation

Construction Copyright

Corporate Governance Corporate Immigration Corporate Reorganisations

Cybersecurity

Data Protection & Privacy
Debt Capital Markets
Dispute Resolution
Distribution & Agency
Domains & Domain Names

Dominance e-Commerce Electricity Regulation

Energy Disputes

Enforcement of Foreign Judgments Environment & Climate Regulation

Equity Derivatives

Executive Compensation & Employee Benefits

Financial Services Compliance Financial Services Litigation

Fintech

Foreign Investment Review

Franchise

Fund Management Gas Regulation Government Investigations Government Relations

Healthcare Enforcement & Litigation

High-Yield Debt Initial Public Offerings Insurance & Reinsurance Insurance Litigation

Intellectual Property & Antitrust Investment Treaty Arbitration Islamic Finance & Markets

Joint Ventures

Labour & Employment Legal Privilege & Professional Secrecy

Licensing Life Sciences

Loans & Secured Financing

Mediation
Merger Control
Mergers & Acquisitions
Mining

Oil Regulation
Outsourcing
Patents

Pensions & Retirement Plans

Pharmaceutical Antitrust Ports & Terminals

Private Antitrust Litigation

Private Banking & Wealth Management

Private Client
Private Equity
Private M&A
Product Liability
Product Recall
Project Finance

Public-Private Partnerships

Public Procurement Real Estate Real Estate M&A Renewable Energy

Restructuring & Insolvency

Right of Publicity

Risk & Compliance Management

Securities Finance Securities Litigation

Shareholder Activism & Engagement

Ship Finance Shipbuilding Shipping State Aid

Structured Finance & Securitisation

Tax Controversy

Tax on Inbound Investment

Telecoms & Media
Trade & Customs
Trademarks
Transfer Pricing
Vertical Agreements

Also available digitally

Online

www.gettingthedealthrough.com