



Recent FDI Trends in Türkiye

From 2022 to April 2023, Türkiye attracted about \$8 billion foreign direct investments ["FDI"]. In terms of finance, manufacturing and high-tech service investments, Türkiye is a prominent investment destination. Between 2003 and 2021, the majority of FDI inflows to Türkiye have originated from Europe and North America; Netherlands being the top investor country with approximately 16% of the FDIs in Türkiye. In this respect, Türkiye has enhanced its market share in knowledge-intensive investments with high added value while maintaining its existing performance, by using investor feedback to rework support mechanisms and improving the investment climate to ensure facilitation of investment decisions. Although Türkiye is not a member of the European Union, it has been pursuing policies in line with Europe for EU accession, which resulted in an intense FDI flow.

The most recent and important example of Türkiye's Europe-approved policies is the initiation of the hydrogen valley within the scope of sustainability goals. With the "South Marmara Hydrogen Coast Valley Project", which has a total budget of 36.8 million Euros and will take 5 years, Türkiye's first Green Hydrogen Valley is being realized. The project, which was awarded 8 million Euros by the European Commission, will ensure the production and distribution of green hydrogen. With the realization of the project, the South Marmara Region will be one of the leading regions in Türkiye's 2053 carbon neutral economy aim. The region will also become a candidate to be one of the leading regions in the export of hydrogen and its derivatives to European countries.

Policies regarding the structure of markets are another important factor for FDIs. For instance, foreign investors looking to increase their profits enter the markets of other countries mostly through parallel imports. Therefore, by

forbidding parallel import and thereby failing to protect the competition, countries repel foreign investors. Parallel imports are critical for competition because they prevent the abuse of dominant position and exploitation of monopoly by segmenting the market and charging different rates to various types of customers. Although the concept of parallel import is not expressly regulated in Turkish law, it is allowed in the country because restricting parallel imports is considered as a violation of competition according to Law No. 4054 on the Protection of Competition.

An important development in the banking sector is the amendment made in the remote identification regulation to expand the scope of persons, who can benefit from remote identification services. As of June 1, 2023, legal entities can have their identity established in accordance with the procedure for the identification of natural persons. Thus, foreign companies seeking to invest in Türkiye can carry out their banking transactions faster and more cost-effectively. Also, the amendment prepares the legal infrastructure for regulations that will keep pace with the rapid development of the banking sector. Accordingly, the BRSA is authorized to determine the procedures and principles regarding the use of artificial intelligence-based methods for the transactions to be performed by the customer representative.

In conclusion, Türkiye's adoption of new policies to access EU have produced tangible political and economic benefits both for the country and the foreign investors. As it offers strong protection for foreign investors and removes all barriers for FDIs, it is safe to say that Türkiye still has a wide FDI appetite, welcoming foreign investors all around the world. This article was written with the collaboration of:

Beliz Boyalıklı and **Nermin Melisa Coşkun**.



Dr. Zahide Altunbaş Sancak
z.altunbas@guleryuz.av.tr



Yasemin Keskin
y.keskin@guleryuz.av.tr

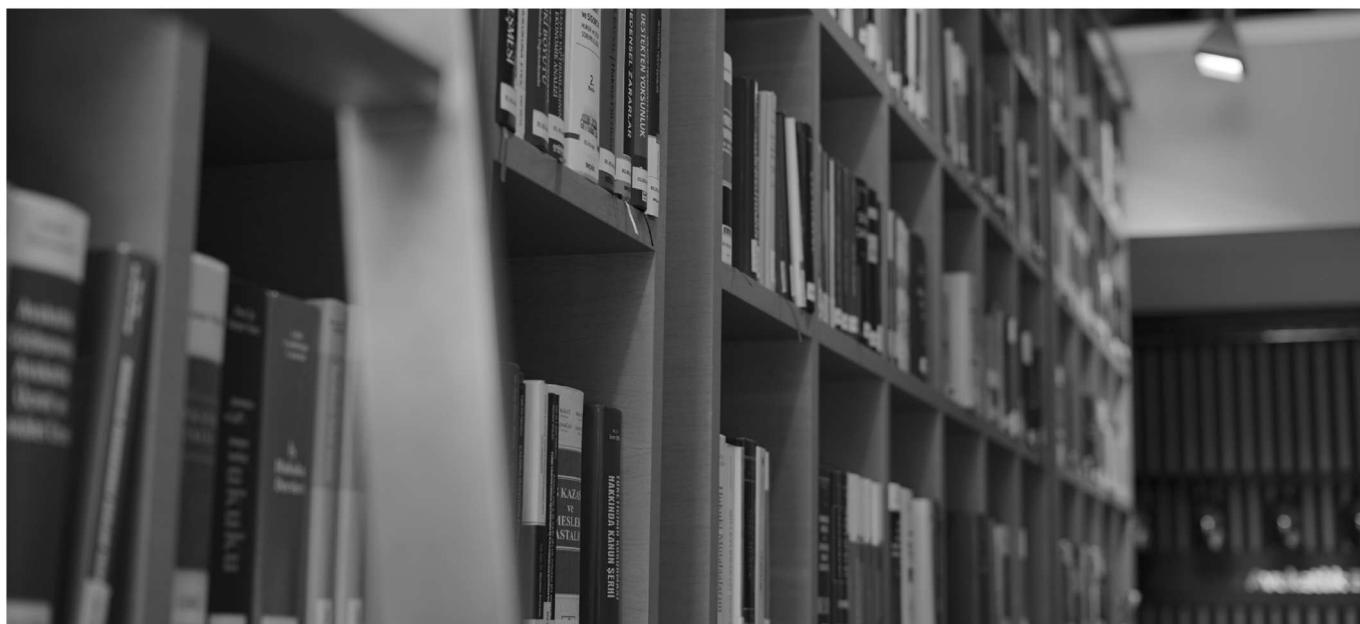


Web Scraping and Protection of Websites. Turkish law does not yet have a regulation directly regulating web scraping. Nonetheless, **Law No. 5846 Law on Intellectual and Artistic Works** dated **05.12.1951** regulates protection of databases in parallel with EU Directives. Accordingly, it is possible to protect websites against right violations caused by data scraping under work protection or sui generis protection provisions, if they meet the requirements stipulated in the Law according to the type of database.

A New Era in the Istanbul Stock Exchange: Venture Capital Market. With the **Communiqué on Principles Regarding Companies Whose Shares Will Be Traded on the Venture Capital Market [II-16.3]** published by **Capital Markets Board of Türkiye** on **18.05.2023**, non-public joint stock companies are enabled to trade their shares on stock exchange. For this purpose, the Venture Capital Market has been established and from now on, qualified investors will be able to invest in companies that are not open to public.

Remote Health Service Regulations in Türkiye. The **Regulation on the Delivery of Remote Health Services** by the **Ministry of Health** was published in Official Gazette dated **10.02.2022**. Accordingly, services such as examination, control of diagnosed diseases, psychosocial support, tracking health data and e-prescription issuance can be provided remotely. However, healthcare facilities providing remote health services must take the necessary measures for identity verification and protection of privacy and personal data for the patients.

Annual Activity Report of Green Deal Action Plan of Türkiye. On **04.05.2023**, the **Annual Activity Report of Türkiye's Green Deal Action Plan** was published by **Republic of Türkiye Ministry of Trade**. The report summarizes the progress achieved in 2022 under the green deal action plan objectives. Accordingly, it is possible to say that Türkiye has made significant progress toward vital goals such as green finance, sustainable agriculture and combating climate change, in line with the global trends.



• Our Partner Became a Member in Endeavor Turkey

Our partner Dr. Zahide Altunbaş Sancak joined Endeavor Turkey, the Turkish chapter of the New York based association aiming for High-Impact Entrepreneurs transforming economies.

• Our Arbitration Team Attended the Global Arbitration Review (GAR) Istanbul 2023

Our partner M. Tarık Güteryüz together with our arbitration team has attended GAR Istanbul 2023 where prominent lawyers from Europe gathered to discuss the latest major developments in arbitration.