

Arbitration in Turkey: Interim Relief

By Abdülkadir Güzeloğlu & Fatma Esra Güzeloğlu

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Interim relief is regulated under Article 6 of The Turkish International Arbitration Law of 2001 ("TIAL"). Said Article is one of the two exceptions to the general scope of application of TIAL whereby rules on interim relief apply irrespective of whether the place of arbitration rests in Turkey. The other exception relates to Article 5, which regulates objection to arbitration and agreement to arbitrate.

Parties may apply to both courts and tribunals to obtain an interim relief. In fact, it is explicitly established that requesting an interim relief from the national courts is not incompatible with the arbitration agreement. Hence such request shall neither constitute a waiver nor a ground for objection against the arbitration agreement.

Article 6 establishes that parties may resort to national courts before or during the arbitration proceeding in order to obtain interim relief. That said, in a decision dated 2014, the Turkish Supreme Court conducted an arbitration-friendly interpretation and ruled that it is also possible to request an interim relief after the delivery of the final award in order to secure its effective execution by preventing the losing party selling off its assets located in Turkey before the enforcement procedure is finalised. Therefore, parties may request an interim attachment from Turkish courts in connection with a final award while the enforcement proceedings are ongoing before the latter. On the other hand, if a court issues interim relief before the commencement of arbitration, the party requesting such order must initiate arbitration within 30 days from the date of the interim relief, otherwise the interim relief shall automatically be lifted.

Interim relief encompasses all kinds of measures including but not limited to interim attachments, preservation of evidence, security for costs, and interim payments. However, TIAL establishes certain limitations to interim measures which may be issued by arbitrators. According to these, arbitrators may

Güzeloğlu Attorneys at Law | Istanbul

GÜZELOĞLU

attorneys-at-law | hukuk bürosu

not order an interim relief that needs to be executed by official authorities or execution offices, or one that binds the third parties. Therefore, parties are compelled to resort to national courts to obtain interim relief of such types, such as the seizure of a real estate. Arbitral tribunal may require the party requesting interim relief to provide appropriate security as a prerequisite to issue such order.

Where a party does not voluntarily comply with an interim measure or interim attachment ordered by the tribunal, the other party may seek the assistance of the competent court to issue an interim relief. Although the meaning of the term "assistance of the competent court" is not very clear, it is widely accepted both in practice and doctrine that in the face of such circumstances, the court orders a brand new interim relief instead of enforcing the one already issued by the tribunal. The reason is that only final awards are enforceable under Turkish Law, and Turkey has not yet adopted the 2006 amendments to UNCITRAL, in particular the newly introduced Article 17(H)(1). That said, at any stage of the proceedings the parties are entitled to file a request for interim relief before the competent court, pursuant to Civil Procedural Law and the Execution and Bankruptcy Law.

An interim relief ordered by the court prior to commencement of arbitration or during arbitral proceedings shall automatically cease to have effect when the arbitral tribunal's decision becomes enforceable, or where the latter dismisses the case.

For further information on international arbitration and Turkish arbitration practice, please contact us at info@guzeloglu.legal.

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