

Table of Contents

List of Editors and Contributors	vii
Foreword	xxi
Preface	xxiii
List of Abbreviations	xxv
CHAPTER 1	
Legal Framework	
<i>Ali Yeşilirmak</i>	1
§1.01 Introduction	1
§1.02 Legal Framework	3
[A] Laws on Arbitration and ADR Methods	3
[1] Code of Civil Procedure	3
[2] International Arbitration Law	3
[3] Mediation Law	6
[4] Concession Agreements Law	7
[5] Attorneyship Law	7
[6] Turkish Private International Law	8
[B] International Conventions	8
[1] New York Convention	8
[2] European Convention on International Commercial Arbitration	9
[3] ICSID Convention	10
[4] Energy Charter Treaty and BITs	10
[5] Agreement on Promotion, Protection and Guarantee of Investments among Member States of the Organisation of the Islamic Conference	11

Table of Contents

	[6] Judicial Cooperation Treaties	11
§1.03	Arbitral Institutions	12
§1.04	Conclusion	13
CHAPTER 2		
ADR Mechanisms: Negotiation, Mediation and Expert Determination		
	<i>Ali Yeşilirmak</i>	15
§2.01	Introduction	15
§2.02	General Principles as to Negotiation and Mediation	15
§2.03	Negotiation	17
§2.04	Mediation	21
	[A] In General	21
	[B] Mediation Law	22
	[1] Purpose, Scope and Definitions (Articles 1-2)	22
	[2] Fundamental Principles regarding Mediation (Articles 3-5)	23
	[3] Rights and Obligations of Mediators (Articles 6-12)	23
	[4] Activity of Mediation (Articles 13-18)	24
	[5] Register of Mediators (Articles 19-21)	25
	[6] Establishment and Duties	25
	[C] Conclusion	26
§2.05	Expert Determination	27
	[A] In General	27
	[B] Expert Determination Agreement	29
	[C] Effect and Implementation of the Expert Report	30
	[D] Appointment, Dismissal, Resignation and Death of the Expert	30
	[E] Procedure	31
	[F] Agreement between the Parties and the Expert	32
	[G] Expert Report	32
	[H] Disregarding of the Expert Report	32
	[I] Conclusion	34
§2.06	Conclusion	35
CHAPTER 3		
Drafting Arbitration Agreements and Arbitrability		
	<i>Eda Cerrahoğlu Balsen & Efe Kınukoğlu</i>	37
§3.01	Introduction	37
§3.02	The Arbitration Agreement under Turkish Law	38
	[A] Nature, Definition and Content of an Arbitration Agreement	38
	[1] Substantial or a Procedural Contract?	38
	[2] Definition of an Arbitration Agreement	38
	[3] The Content of an Arbitration Agreement	40

Table of Contents

[B]	Form of an Arbitration Agreement	41
[1]	A Separate Arbitration Agreement or an Arbitration Clause?	41
[2]	Requirement as to Written Form	41
[3]	Absence of Objection to the Statement of Claim	42
[4]	Reference to Any Document Containing an Arbitration Clause	42
[5]	In-Court Arbitration Agreements	42
[C]	Validity of an Arbitration Agreement	43
§3.03	Arbitrability under Turkish Law	43
[A]	Disputes Relating to Real Rights Concerning Immovable Property	44
[B]	Disputes That Are Not at the Free Will of the Parties	45
[C]	Consequences of Non-arbitrability	46
§3.04	Conclusion	47
CHAPTER 4		
Appointment of and Challenge to Arbitrators		
	<i>Murat Karkin</i>	49
§4.01	Appointment of Arbitrators	49
[A]	Importance of the Selection of the Arbitrators	50
[B]	Composition of the Arbitral Tribunal	50
[1]	Number of Arbitrators	52
[2]	Requirements to Act as an Arbitrator	53
[C]	Appointment of the Arbitrators	55
[1]	Where the Names of the Arbitrators Are Stated in the Arbitration Agreement	55
[2]	Where the Arbitrators Are to Be Appointed by the Parties	56
[a]	Appointment of the Sole Arbitrator	57
[b]	Appointment of the Members of the Arbitral Tribunal	57
[3]	Where the Parties Agree on an Appointing Authority	58
[4]	Principals Governing Judicial Intervention	59
§4.02	Challenge to Arbitrators	60
[A]	Independence and Impartiality	60
[B]	Challenging the Appointment of the Arbitrator	64
[C]	Replacing an Arbitrator	69
[1]	Reappointment of an Arbitrator	69
[2]	Replacement due to the Arbitrator's Failure to Perform His Duty	70
§4.03	Conclusion	70

Table of Contents

CHAPTER 5	
Arbitration Procedure	
<i>Musa Aygül & Doğan Gültutan</i>	73
§5.01	Law Applicable to the Arbitral Proceedings 73
[A]	In General 73
[B]	Determination of the Law Applicable to the Arbitration Procedure by the Parties 74
[C]	Validity of Agreements regarding the Law Applicable to the Arbitration Procedure and their Interpretation 76
[D]	Form of Agreement regarding the Law Applicable to the Arbitration Procedure 77
[E]	Procedural Rules That May Be Agreed Upon 78
[1]	The Selection of Domestic Legal Systems as Being Applicable to the Arbitration Procedure 79
[2]	The Selection of Arbitration Rules of Arbitral Institutions 80
[F]	Arbitral Tribunal's Determination as to the Law Applicable to the Arbitration Procedure 81
[1]	In General 81
[2]	Time When the Law Applicable to the Arbitration Procedure Is to Be Determined 83
[3]	Matters to Be Considered by the Arbitral Tribunal in Determining the Rules Applicable to the Arbitration Procedure 83
[G]	Limits on Party Autonomy and the Arbitral Tribunal's Discretion 85
[1]	In General 85
[2]	Mandatory Rules of the Place of Arbitration 85
[a]	Principle of Equal Treatment 88
[b]	Right to Be Heard 89
§5.02	Place of Arbitration 91
[A]	Importance of the Place of Arbitration 91
[B]	Determining the Place of Arbitration 94
§5.03	Arbitral Proceedings 95
[A]	Commencing the Lawsuit 95
[1]	Date of Commencement 95
[2]	Arbitration Period 96
[a]	Issuance of the Award within the Arbitration Period 96
[b]	Commencement of the Arbitration Period 98
[c]	Extension of the Arbitration Period 99
[B]	Language of Arbitration 101
[C]	Representation by Lawyers 103
[D]	Statements of Claim and Answer 104
[1]	Submission of the Statements of Claim and Answer 104

Table of Contents

	[2]	Submission of Evidence with the Statements	105
	[3]	Assertion of Additional Claims and Defences	106
[E]		Terms of Reference	107
[F]		Hearings in International Commercial Arbitration	109
	[1]	In General	109
	[2]	Hearings Held upon Party Request	111
	[3]	Giving the Parties Adequate Notice as to the Date of the Hearing	111
	[4]	Rendering an Award Solely upon Evaluation of Documents Submitted	112
	[G]	Failure of One of the Parties to Participate in the Arbitration	113
§5.04		Evidence in International Arbitration	113
	[A]	In General	113
	[B]	Documents	114
	[C]	Witnesses	115
	[D]	Experts	116
	[E]	Site Visits	118
	[F]	Admissibility and Evaluation of Evidence	119
§5.05		Law Applicable to the Merits	120
§5.06		Termination of Arbitral Proceedings	123
	[A]	Termination of Arbitral Proceedings via a Final Award	124
	[B]	Procedural Matters with Respect to Rendering Awards	125
	[C]	Termination of Arbitral Proceedings for Reasons Other Than the Issuance of a Final Award	126
	[1]	Claimant's Withdrawal of the Claim	126
	[2]	Parties' Agreement	127
	[3]	Impossibility or Redundancy of Continuing the Arbitral Proceedings	127
	[4]	Arbitration Period Not Being Extended	128
	[5]	Arbitral Tribunal's Failure to Render a Unanimous Decision Despite Party Agreement	128
	[6]	Loss of a Party's Legal Capacity to Remain a Party	129
	[7]	Non-payment of the Advance Payment	130
§5.07		Form and Content of Arbitral Awards	130
§5.08		Notification of the Award and Filing It with the Court	134
§5.09		Correction, Interpretation and Completion of the Award	135
§5.10		Arbitration Costs	136
	[A]	Items Constituting Arbitration Costs	136
	[1]	Arbitrator Fees	137
	[2]	Determining Arbitrator Fees	138
	[3]	Court Costs	139
	[B]	Responsibility to Pay Arbitration Costs	140
§5.11		Conclusion	140

Table of Contents

CHAPTER 6	
Courts' Support and Supervision Prior to the Rendering of the Award <i>Bilgehan Yeşilova</i>	141
§6.01 Introduction	141
§6.02 Principles Dominating the Role of the Courts in International Arbitration	143
[A] Introductory Remarks	144
[B] Role of Courts – Seat of Arbitration Relation	145
[C] Limited Intervention – Constrained Jurisdiction	147
[D] Competent Court Having Jurisdiction as to <i>Ratione Materiae</i> and <i>Ratione Loci</i> in Arbitration	149
[E] Effect of the Courts' Inquiry on Pending Arbitral Proceedings	153
[F] Finality of Court Decisions Related to Intervention in International Arbitration	154
§6.03 Scope of Courts' Role at Pre-award Stage	155
[A] Functions of Courts Related to Jurisdiction/Competence of Arbitrators	156
[1] Objection as to Arbitration, the Scope of Inquiry Performed by Courts	156
[2] Supervision of <i>Kompetenz-Kompetenz</i> Decisions	161
[3] Duration in Arbitration	165
[B] Assistance and Supervision in Number, Appointment, Challenge and Withdrawal of Arbitrators	169
[1] Number and Appointment of Arbitrators	169
[2] Challenge of Arbitrators	172
[3] Withdrawal of Arbitrators	175
[C] Enforcement of Interim/Provisional Measures of Protection Rendered by Arbitrators	176
CHAPTER 7	
Challenges to Arbitral Awards <i>Bilgin Tiryakioğlu & Aşlı Bayata Canyaş</i>	183
§7.01 In General	183
§7.02 Competence and Jurisdiction of the Court in an Action to Set Aside	185
§7.03 Time Period to File a Setting Aside Action	186
§7.04 Setting Aside Claims and the Applicable Procedure	186
§7.05 Waiver of the Right to File a Setting Aside Action	187
§7.06 Grounds for Setting Aside	190
[A] Grounds That Require Proof by the Party Filing the Setting Aside Action	190
[B] Grounds for Setting Aside That are Determined by the Court Ex Officio	201

Table of Contents

	[1]	Dispute That Is the Subject-Matter of the Arbitral Award Not Being Arbitrable under Turkish Law (Article 15A(2)(a))	201
	[a]	Disputes Arising from Real Rights (Rights In Rem) Concerning Immovable Property	202
	[b]	Disputes That Are Not Subject to the Free Will of the Parties	203
	[2]	Award Being in Violation of Turkish Public Policy (Article 15A(2)(b))	203
§7.07		Effect of a Set Aside Action on the Enforcement of an Award	205
§7.08		Legal Remedies regarding Decisions Given as a Result of Setting Aside Actions	206
§7.09		Appointment of Arbitrators and Determination of the Time Period for Arbitration in Case of Setting Aside	206
§7.10		Recognition and Enforcement of Set Aside Awards in Turkey	207
§7.11		Conclusion	210
CHAPTER 8			
Recognition and Enforcement of Foreign Arbitral Awards			
		<i>Cemal Şanlı & Emre Esen</i>	211
§8.01		In General	211
§8.02		Recognition and Enforcement of Arbitral Awards Pursuant to the New York Convention	212
	[A]	Scope of Application of the New York Convention	212
	[B]	Procedure for Recognition and Enforcement Lawsuits Pursuant to the New York Convention	213
	[C]	Enforcement Conditions Pursuant to the New York Convention	217
	[1]	In General	217
	[2]	There Must Be a Valid Arbitration Agreement between the Parties	218
	[3]	Award Must Have Been Rendered in Compliance with the Defence Rights of Defendant	231
	[4]	Award Must Have Been Rendered by the Arbitrators within the Scope of Submission to Arbitration	233
	[5]	Composition of the Arbitral Tribunal or the Arbitral Procedure Must Be in Accordance with the Parties' Agreement or, in the Absence Thereof, in Accordance with the Law of the Place of Arbitration	234
	[6]	Award Must Have Become Binding on the Parties or Must Not Have Been Set Aside or Suspended by a Competent Authority of the Country in Which, or under the Law of Which, That Award Was Made	235

Table of Contents

	[7] Award Must Concern a Dispute That Is Arbitrable Pursuant to the Laws of the Enforcement State	236
	[8] Award Must Not Violate the Enforcement State's Public Policy	237
§8.03	Recognition and Enforcement of Arbitral Awards Pursuant to the TPIL	240
§8.04	Conclusion	240
CHAPTER 9		
	Investment Treaty Arbitration Involving Turkey and Turkish Parties <i>Stephan Wilske & Sarah Kimberly Hughes</i>	241
§9.01	Introduction	241
§9.02	Regulatory Framework Governing FDI in Turkey	243
	[A] Investment Treaty Landscape in Turkey	243
	[1] Turkey's Bilateral Investment Treaties	243
	[2] Multilateral Investment Treaties Signed by Turkey	246
	[a] ICSID Convention	247
	[b] Energy Charter Treaty	250
	[c] Investment Promotion Agreement	251
	[B] Turkey's Investment Legislation	252
§9.03	Turkish Arbitral Practice	252
	[A] Cases Involving Turkey as Respondent	253
	[B] Cases Involving Turkish Parties	255
§9.04	Investor Rights and Protections under Turkey's Investment Treaties	258
	[A] Compensation for Expropriation	258
	[B] Fair and Equitable Treatment	260
	[C] National Treatment and Most-Favoured Nation Treatment	261
	[D] Full Protection and Security	261
	[E] Freedom to Transfer Funds	262
§9.05	Conclusion	263
CHAPTER 10		
	Arbitrating M&A Disputes <i>İsmail G. Esin, Özgün Çelebi, Sevgin Erker & Demet Kaşarcıoğlu</i>	265
§10.01	Introduction	265
§10.02	An Overview of M&A the Transaction Process	266
	[A] Pre-signing (Negotiation)	266
	[B] Signing	267
	[C] Closing	268
§10.03	Potential M&A Disputes	268
	[A] Procedural Issues	268
	[1] Choice of Law	269
	[2] Coherence of Dispute Resolution Clauses and Parallel Proceedings	269

Table of Contents

[3]	Interim Measures	271
[4]	Multi-party Disputes	272
[5]	Third Party Joinder	273
[B]	Merits	273
[1]	Pre-signing Disputes	273
[2]	Pre-closing Disputes	276
[3]	Post-closing Disputes	277
[a]	Disputes regarding Seller's Breach of Representations and Warranties	277
[b]	Disputes regarding Purchase Price Adjustment	279
[i]	Net Asset Price Adjustment as a Balance Sheet-Based Price Adjustment Mechanism	280
[ii]	Earn-Out Price Adjustment as an Earnings-Based Price Adjustment Mechanism	281
[iii]	Expert Determination	282
[iv]	Locked-Box	283
§10.04	Conclusion	284
CHAPTER 11		
Arbitrating Intellectual Property Disputes		
<i>Mehmet Gün, Hande Hançer & Başak Gürbüz</i>		
§11.01	Introduction	285
§11.02	Arbitrability of Disputes Arising from IPRs	286
[A]	IPRs and Their Importance	286
[B]	Relations Arising from IPRs	288
[C]	Disputes Arising from IPRs and Arbitrability of IPR Disputes	289
§11.03	Arbitral Institutions and Case Law	291
[A]	WIPO	291
[1]	Arbitration and Mediation Services	291
[2]	Uniform Domain Name Dispute Resolution Policy (UDRP) Proceedings (Domain Name Arbitration)	292
[B]	Independent Film & Television Alliance (IFTA)	295
§11.04	Conclusion	296
APPENDIX I		
International Arbitration Law, Law No. 4686		
		299
APPENDIX II		
Turkish Private International Law, Law No. 5718		
		317
Bibliography		
		327
Index		
		345