Regulations Regarding Direct Sales Models

With the Regulation on Direct Sales ("**Regulation**") published in the Official Gazette dated 8 August 2025 and numbered 32980, direct sale systems have been re-regulated, which are sales systems established by a direct sale company and in which direct sellers (who are not employed by the relevant direct sale company under an employment contract but rather act as independent representatives, distributors, consultants or under similar titles, and engage in return for benefits such as commissions, bonuses, incentives, and rewards) sell or market goods or services to consumers. As of the enactment of the Regulation, the direct sale systems have been excluded from the scope of the Regulation on Contracts Established Outside the Business Premises.

In parallel with the amendments made to the Consumer Protection Law ("**Law**") on 24 October 2024 and which entered into force on 30 July 2025, as envisaged by the Law, new regulations are intended to determine rights and obligations of direct sale companies, direct sellers and consumers as well as contracts falling outside the scope, sale of goods or services, right of withdrawal, obligations to inform, delivery and other procedural rules and principles applicable in such systems. For the first time, specific provisions have been introduced for the previously under-regulated direct sale systems. The purpose of these regulations is to prevent direct sale systems to be implemented as pyramid sales schemes, to ensure that such systems operate in a transparent, fair and reliable manner, and to meet the need for clear and enforceable rules applicable to this sales model.

Certain key amendments are evaluated below. It should be noted at the outset that these rules apply not only to direct selling business models where sales to consumers are carried out by direct sellers, but also to business models where third parties act as intermediaries for purchases of goods or services from the direct sale company and obtain benefits such as commissions, bonuses, incentives and rewards under a compensation plan offered by direct sale companies in return for their marketing activities. Accordingly, the Regulation covers business models not only where the contractual relationship with consumers is established directly with direct sellers, but also where consumers purchase goods or services from direct sale companies through or as a result of marketing activities of third-party referrals.

Capital and Collateral Requirements

Under the Regulation on Contracts Established Outside the Business Premises, there was no capital or collateral requirement imposed on direct sale companies. In contrast, with the introduction of the Regulation, direct sale companies are now required to have a minimum paid-in capital of 10 million Turkish Lira.

In addition, direct sale companies are obliged to deposit an amount of 3 million Turkish Lira into a blocked time deposit account, demand deposit account, special current account, participation fund account, foreign currency deposit account, or precious metal account held with banks established in Türkiye.

In this context, the objective is to enhance the presence of reliable companies with strong capital in the sector and to protect consumers against financially unsecured entities.

Changes relating to Withdrawal Right and Exercise of the Right of Withdrawal

Consumers are granted a right of withdrawal within 30 days for products acquired through direct sales without any need to provide any justification and without incurring any penalty. This period is approximately twice as long as the 14-day withdrawal period stipulated under the Law for distance sales contracts and other contracts concluded outside the business premises. All payments collected, including any delivery costs incurred by consumers, must be refunded within 30 days from the date on which the product subject to withdrawal notice is received by the relevant direct seller or direct sale company.

Provided that consumers use the relevant goods/products in accordance with their technical specifications and user instructions, they cannot be held liable for any changes or deterioration that may occur within the 30-day period. The fact that the product has been used will not, by itself, prevent its return within the relevant period. As in the case of distance sales, products for which the right of withdrawal cannot be exercised are also listed in a limited manner as follows:

- goods prepared in line with consumers' requests or personal needs,
- goods that are perishable or may expire,
- goods whose protective elements such as packaging, tape, seal, or wrapping have been opened after delivery and which are unsuitable for return due to health and hygiene reasons,
- goods that, after delivery, are mixed with other products and by their nature cannot be separated,
- computer consumables where protective elements such as packaging, tape, seal, or wrapping have been opened after delivery,
- contracts relating to delivery of periodicals such as newspapers and magazines, other than those provided under a subscription agreement,
- services performed instantly in electronic form or intangible goods delivered instantly to consumers,
- services that have commenced, with the relevant consumer's approval, before the expiry of the withdrawal period,
- goods for which the user manual specifies installation or assembly by the seller or an authorized service provider, and which have been installed or assembled accordingly.

Special Regulations Regarding Direct Sellers in Direct Selling System

The Regulation introduces both restrictions and protective measures for individuals who will take part in a direct sale system. Accordingly:

- Persons under the age of 18, those lacking legal capacity, shareholders and managers of direct sale companies, as well as their spouses and relatives up to the first degree by blood or marriage may not become direct sellers.
- In line with previous regulations, it is prohibited to require direct sellers to make any payments or undertake any obligations (under titles such as renewal, package, fee, dues, etc.) that do not involve goods or services intended for sale to consumers, either for joining the system or for remaining in it.
- Limitations have been introduced concerning the compulsory starter kits and sales prices of goods or services included in such starter kits.
- Provisions have been established to ensure that direct sellers may leave the system at their discretion and to regulate direct sale companies' refund obligations against direct sellers leaving the system.

- Direct sale systems may not be structured primarily around recruitment of new direct sellers and distribution of benefits generated thereby. Instead, the system and its objectives must be based on sale of goods or services to consumers. Within this framework, unlike other provisions of the Regulation which entered into force on 8 August 2025, additional restrictions regarding commissions, bonuses, and similar benefits granted by direct sale companies to direct sellers are regulated as to come into force as of 1 January 2026. The total of such benefits excluding retail sales profits may not exceed 50% of the direct sale company's annual net sales of goods or services subject to direct sales. Where such benefits arise from the recruitment of new direct sellers, this upper limit will be 30% of all benefits distributed within the relevant calendar year.

Obligation to Establish an Information/Communication System

Direct sales companies are obliged by the Regulation to establish a system that enables consumers to be informed and to communicate their requests without any physical face-to-face contact, through channels such as mail, catalogue, telephone, fax, e-mail, text message, or the internet. The Regulation also sets out in detail the mandatory information that must be included within such an information system.

Authorization Certificate and Transitional Period

In order to operate, a direct sale company is required to obtain a direct selling authorization certificate from the General Directorate of Consumer Protection and Market Surveillance ("**General Directorate**") under the Ministry of Trade.

Accordingly, companies that wish to commence direct selling activities or continue their existing activities must meet the conditions set forth in the Regulation and apply for a direct selling authorisation certificate. In this context, a transition period has been granted until 30 January 2026 for direct sale companies that are already active and engage in such activities. Such companies may apply to the General Directorate until 30 January 2026 by complying with the conditions under the Regulation and continue their activities until their authorization certificate applications are finalized by the General Directorate.

Direct selling authorization certificates will be valid for a period of three years, and in order to continue operations, companies must re-apply and renew their authorization certificates before expiry of their certificates' validity period.

Sanctions

The Law also sets out deterrent sanctions applicable in case of breach to the Regulation as follows:

- An administrative fine of TRY 5,000,000 may be imposed for each violation where a direct sale company is not incorporated as a capital company, fails to meet the conditions set out in the Regulation, the system is based predominantly on recruitment of new direct sellers and the distribution of benefits derived therefrom rather than on sale of goods or services to consumers and/or the system is not in line with the principles established by the Regulation.

- An administrative fine of TRY 2,200 may be imposed for each violation where direct sellers are required to make payments or assume obligations under any titles (such as renewal, package, fee, dues, etc.) that do not involve goods or services intended for sale to consumers in order to join or remain in the system, the purchase of goods or services in certain quantities or amounts as determined by the direct sale company is made a condition for determining the direct sellers' levels within the system, consumers are not granted or are not able to effectively exercise their right of withdrawal within 30 days without providing any justification or without incurring penalties and/or where other provisions of the Regulation are violated.

- Where a system enabling consumers to be informed and to submit their requests and notifications is not established, a three-month period will be granted to remedy such non-compliance. If the violation is not remedied within this period, an administrative fine of TRY 1,000,000 may be imposed.

Administrative fines will be increased each year in line with the revaluation rate.

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