

PRESIDENTIAL CIRCULAR ON THE IMPACTS OF COVID-19 ON PUBLIC CONTRACTS

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On 2 April 2020, the Presidency of the Republic of Turkey issued a Circular regarding impacts of Covid-19 on public contracts ("[Circular](#)").

The Circular covers all contracts which were signed by public authorities as a result of public tenders; both the ones which are subject to the Public Tender Law and the ones which are exempt from the Public Tender Law. Therefore, the Circular applies to the contracts which were awarded under Build-Operate-Transfer Law No. 3996 and Health Public-Private Partnership Law No. 6428.

Pursuant to the Circular, in the cases where performance of the obligations under a contract becomes partially or completely impossible due to Covid-19 pandemic temporarily or permanently, the contractor can apply to the relevant administration with supporting documents.

Upon such an application, the relevant administration can decide to grant time extension or terminate the project agreement provided that the following conditions are met:

- (i) impacts of Covid-19 on the project must not be attributable to the contractor;
- (ii) impacts of Covid-19 must prevent the contractor from performing its obligations under the relevant project agreement; and
- (iii) the contractor must be unable to prevent the impacts of Covid-19.

The Circular additionally requires that the relevant administration must receive the opinion of the Ministry of Treasury and Finance before making any decision for the mentioned applications.

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