PRACTICAL GUIDE I SUPPLIER DISPUTES

Paid in Advance. Nothing Delivered.

How foreign companies can recover an advance payment from a supplier in Türkiye.

What to check, what to prepare and which deadlines to watch.

Read on →

Start with three questions

A missed delivery date does not always mean you can ask for your money back straight away. These three answers shape everything that follows.

01 **What exactly did the supplier promise?**

The contract or pro forma invoice sets the delivery date, any extra time the supplier has and what happens if the goods never arrive.

02 **Can you end the contract?**

Many international sales fall under the CISG, which applies in Türkiye. You may need to give the supplier a final deadline before cancelling and asking for a refund.

03 **Who actually received your money?**

The company on the invoice, the account holder on your bank transfer and the business still trading may not be the same. The claim has to target the right one.

Clear answers here prevent the two most common mistakes: acting too early and pursuing the wrong company.

What recovery usually looks like

1. **Formal demand**

   A written notice setting out the order, the payment and the refund request. Sometimes this alone brings the supplier back to the table.

2. **Protect the money**

   If the supplier may empty its accounts, a court can freeze its assets before the dispute is decided. More on this in the next two pages.

3. **Mandatory mediation**

   For commercial payment claims, mediation must be tried before a lawsuit. It normally ends within six weeks, with a possible two week extension.

4. **Lawsuit or enforcement**

   If mediation fails, the claim goes to the commercial court. Enforcement proceedings are another route and can start without a judgment.

The order is not fixed. The amount, the evidence and the supplier's finances decide which step comes first.

Freezing assets before the case ends

A judgment is only useful if there is money left to collect. Turkish courts can order a provisional attachment on the supplier's bank accounts, receivables and property.

The refund must be due

As a rule, the money must already be payable. If the supplier is hiding assets or preparing to disappear, the court can act earlier.

Credible evidence is enough

Full proof is not required at this stage. The contract, payment records and correspondence usually carry the request.

Expect to provide security

The court normally asks for security against wrongful attachment, often around 10 to 15 percent of the claim.

A foreign forum clause is no barrier

Even if the contract names a foreign court or arbitration, a Turkish court can still freeze assets located in Türkiye.

Worth recording as it happens: machinery or stock being moved, a new company at the same address, closed accounts, or a supplier who goes silent after asking for more time.

THE DEADLINE THAT MATTERS MOST

7

DAYS

Once an attachment is carried out, you have seven days to start enforcement proceedings or apply for mediation.

Why this matters in practice

01 Miss it and the freeze falls away

The attachment lapses on its own, and the supplier is free to move the assets again.

02 Mediation pauses the clock

While mediation is running, the time limit for filing the lawsuit stops. It runs again once mediation ends without agreement.

03 Skipping mediation is costly

A lawsuit filed without mediation is dismissed, and courts have lifted attachments on that basis.

Security for the other side's costs

Foreign companies that file a lawsuit or start enforcement in Türkiye usually have to deposit security set by the court. Where your company is based decides whether you are exempt.

Usually exempt

- Countries party to the 1954 Hague Convention on Civil Procedure
- Countries with a bilateral judicial assistance treaty with Türkiye
- Countries shown to treat Turkish claimants the same way

Usually required

- Countries with no treaty and no proven reciprocity
- Recent examples: companies from the US, the UAE and the Marshall Islands
- Courts often set it at around 10 percent of the claim

Plan the cash early. Without an exemption, you may need one deposit for the attachment and another for the lawsuit or enforcement. A bank guarantee is usually accepted instead of cash.

Closed, renamed or starting over?

Suppliers sometimes say the business has shut down or now trades under another name. Before accepting that, a few checks are worth making.

01 Check the trade registry

Public registry records show whether the company is in liquidation, has merged or has changed its name. A new name does not erase old debts.

02 Follow the money

Your bank records show which account received the payment. That tells you who holds the funds, which may not be the company on the invoice.

03 A new company is a separate company

A business with a similar name or the same managers is not automatically liable for the old company's debts. Linking them takes evidence, such as transfers of assets, stock or customers.

Liquidation does not end the claim either. Creditors can still come forward, but there are time limits.

What to have ready

- Contract, purchase order or pro forma invoice
- Proof of payment, ideally the SWIFT confirmation
- The agreed delivery date and any extensions
- All correspondence, including emails and messaging apps
- The supplier's full company name and tax number
- Any sign the supplier is moving assets or has stopped trading
- Your own company registration documents
- A power of attorney for Turkish counsel, notarised and apostilled

You do not need a company or office in Türkiye to bring a claim. A power of attorney signed abroad is enough to get started.

Four things to take away

Check before you act

Confirm who holds your money and whether the contract can be ended.

Secure before you sue

If assets are at risk, the attachment request usually comes first.

Budget for security

Foreign claimants may need to deposit security at two stages.

Watch the seven days

The deadline after an attachment leaves no room for delay.

Recovering an advance payment often depends less on how strong the claim is and more on timing. A complete file and early action keep the most options open.

IN CLOSING

Every case turns on its own documents.

The right route depends on the contract, the payment trail and where the supplier's assets are. A short look at the documents usually shows which options are realistic.

To discuss a supplier dispute in Türkiye, you can reach us here:

Email **hi@turkishtradelawyers.com**

WhatsApp **+90 850 304 6995**

This guide gives general information on Turkish law as of September 2026. It is not legal advice on any specific matter.