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TÜRKİYE'S FIRST CLIMATE LAW PUBLISHED

Introduction

Following the ratification of the Paris Agreement in 2021, Türkiye announced its net-zero emission target for 2053 and took significant legislative steps to combat climate change and to establish a legal basis for greenhouse gas emission reduction and climate adaptation policies. In this context, the Climate Law numbered 7552 (“Law”), which entered into force upon its publication in the Official Gazette dated 9 July 2025 and numbered 32951, constitutes Türkiye’s first comprehensive climate framework law prepared in line with the 2053 net-zero target.

The Law regulates the reduction of greenhouse gas emissions, the implementation of climate change adaptation measures, the planning and implementation tools to be followed in this process, financing mechanisms, permitting and monitoring procedures, and the institutional structure.

Implementation Tools of Climate Policies and Institutional Structuring

Reduction of Greenhouse Gas Emissions

Activities aimed at reducing greenhouse gas emissions are carried out in accordance with the Nationally Determined Contribution (“NDC”) prepared under the United Nations Framework Convention on Climate Change and aligned with the net-zero emission target. Multi-dimensional measures are envisaged, including the enhancement of energy, water, and raw material efficiency; prevention of pollution at its source; transition to renewable energy; promotion of low-carbon fuels and raw materials; reduction of carbon footprint; electrification; and development of clean technologies. These measures are to be implemented in accordance with the principle of just transition. Within this framework, public institutions and private sector actors are required to plan their emission reduction activities in alignment with long-term targets.

Climate Change Adaptation

Climate change adaptation activities aim to enhance the resilience of natural and social systems against the impacts of climate change. These activities encompass a wide range of policy areas, including water resource management, implementation of nature-based solutions, conservation of biological diversity, expansion of protected areas, combating desertification and erosion, and increasing climate resilience in the agricultural sector. The adaptation process prioritizes sustainability principles such as ecosystem-based approaches and land degradation neutrality.

Planning and Implementation Tools

National and Local Planning

The Climate Change Presidency (“Presidency”), operating under the Ministry of Environment, Urbanization and Climate Change, is responsible for the formulation, implementation, and monitoring of climate policies at the national level. The Presidency undertakes the coordination of strategies and action plans, monitoring of greenhouse gas emissions, and regulation of carbon markets. At the local level, Provincial Climate Change Coordination Committees to be established under the leadership of governors will be responsible for preparing and implementing local action plans tailored to the conditions of each province. These local plans must be finalized by 31 December 2027; if necessary, this period may be extended by one year with a Presidential Decree.

Financial and Incentive Instruments

To support climate investments, the Law introduces financial and technological instruments. It aims to promote green finance, sustainable capital markets, insurance systems compatible with climate risks, and enhanced access to bank loans. Incentives are envisaged for waste recycling under the circular economy framework, and a Türkiye Green Taxonomy will be established to classify environmental investments. Additionally, the Carbon Border Adjustment Mechanism, which takes into account the carbon emissions embedded in imported products, is intended to ensure alignment with European Union legislation.

New Mechanisms and Markets

The Law integrates market-based mechanisms into climate policies. Carbon market instruments and their related regulations, which are to be implemented for the first time in Türkiye, represent a significant innovation in this field.

Emissions Trading System (“ETS”)

With the adoption of the Law, a national Emissions Trading System has been established in Türkiye for the first time. The ETS is based on the allocation of annual emission allowances to facilities operating in specified sectors and the trading of these allowances. The emission allowances to be allocated to facilities will be determined under the national allocation plan, which shall be prepared by the Climate Change Presidency and published in the Official Gazette. Facilities are required to offset their annual greenhouse gas emissions in proportion to their allocated allowances. Facilities operating under the ETS must obtain an emission permit from the Presidency; administrative fines are prescribed for operating without a permit or without submitting an emission report. In this context, facilities that have submitted a verified emission report will be subject to an administrative fine of TRY 5 per ton based on the highest emission value reported within the last five years, whereas those that have not submitted such a report will be subject to administrative fines ranging between TRY 1,000,000 and TRY 10,000,000.

Furthermore, a portion of the allocation obligations under the ETS may be offset with an equivalent amount of carbon credits, and a carbon crediting and offsetting system will be established under the authority of the Presidency for this purpose. Facilities outside the scope of the ETS may voluntarily participate in the system and offset their emissions by purchasing carbon credits. In this manner, the expansion of carbon markets and the promotion of a carbon-neutral transition are aimed.

Carbon Market Board and Advisory Board

The Carbon Market Board, to be established under the coordination of the Presidency, will be responsible for determining ETS policies, approving allocation plans, and managing Türkiye's engagement with international carbon markets. The Advisory Board, led by the Union of Chambers and Commodity Exchanges of Türkiye, is a consultative body composed of representatives from the industrial and business sectors, providing strategic recommendations to the Carbon Market Board.

Carbon Border Adjustment Mechanism ("CBAM")

The Law provides for the establishment of a Carbon Border Adjustment Mechanism (CBAM) to account for embedded carbon emissions arising from the production processes of imported goods. Aligned with European Union regulations, the CBAM aims to price carbon emissions generated during the production of imported goods. This system, to be administered by the Ministry of Trade, will impose additional costs on carbon-intensive imports while reducing the risk of double payment for exporters subject to obligations under the ETS. The CBAM constitutes a strategic instrument to promote green-compliant trade and prevent carbon leakage.

Türkiye Green Taxonomy ("TGT")

The Türkiye Green Taxonomy constitutes a legal framework for the classification of economic activities contributing to environmental sustainability. This system will provide investors with objective criteria to identify green projects and will serve as a common reference point in climate finance and environmental reporting. In addition, green loans and incentives will be provided to support carbon-reducing investments, and environmental obligations such as the use of recycled materials may be imposed.

Revenues and Financing

The Law provides that revenues generated from carbon markets shall be used exclusively for climate-related projects. Proceeds such as emission permit fees, revenues from the sale of ETS allocations, shares collected from carbon credits, and 50% of administrative fines shall be recorded as special revenues in the general budget and appropriated as special funds under the budget of the Climate Change Presidency. Unused amounts shall be carried forward, and the President of the Republic may allocate additional resources. Furthermore, a revolving fund enterprise with a capital of TRY 10 million shall be established under the Presidency; 90% of such funds shall be allocated to climate projects and 10% to just transition policies.

Sanctions and Enforcement

The Law provides detailed provisions regarding the supervision of obligations introduced under the Law and the sanctions applicable in case of non-compliance. The authority to conduct inspections is vested in the Climate Change Presidency, which may perform on-site inspections where necessary. Facilities are required to submit emission data and technical documentation; the costs of any analyses shall be borne by the facilities. Administrative fines and sanctions such as suspension of operations may be imposed in cases of failure to submit emission reports, operating without a permit, non-compliance with allocation obligations, failure to provide information, and providing misleading statements. Fines shall be imposed by the Presidency, and objections may be brought before the administrative courts; however, the initiation of legal proceedings shall not suspend the collection of such fines. In cases where the act constitutes a criminal offense, penal provisions shall also apply.

Amendments to Legislation and Transitional Provisions

- In conjunction with the Law, amendments were introduced to the Environmental Law and the Electricity Market Law to support the implementation of the ETS; the legal status of the Climate Change Presidency has been clarified, and the supervision of the ETS market has been assigned to the Energy Market Regulatory Authority (“EMRA”).
- A pilot phase has been envisaged before the full implementation of the ETS, during which reduced penalties shall apply for violations of obligations.
- Facilities are granted a three-year period to obtain an emission permit, which may be extended for an additional two years if necessary.
- Public institutions and local administrations are required to prepare their climate plans by December 31, 2027; this deadline may be extended by one year by the President of the Republic or, in the case of local climate plans, by the relevant Ministry.
- In the voluntary carbon market, the registration obligation shall commence after the system is established; no sanctions shall be applied until the transition period ends.

Conclusion and Evaluation

The Climate Law numbered 7552 constitutes Türkiye's first framework law establishing the institutional, technical, and legal infrastructure for combating climate change in line with the national target of achieving net zero emissions by 2053. The Law explicitly defines the compliance obligations of public authorities, local administrations, and the private sector with respect to climate policies, and supports emission reduction and adaptation efforts through market-based instruments. In this regard, it is of paramount importance for enterprises to strictly comply with the provisions of the Law regarding the monitoring, reporting, and reduction of greenhouse gas emissions at all stages of their activities, and to be well-prepared for the transition to the ETS.

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