

Constitutional Court's Landmark Ruling on Deadlocks in Two-Partner LLCs

MARCH 31, 2026

As discussed in our previous article, "[Deadlock in Limited Liability Companies](#)" unresolved deadlocks can severely damage relationships between shareholders and lead to substantial losses in customers, profits, time, and reputation.

Recognizing the challenges posed by such deadlocks, the Constitutional Court issued a ruling to address it. In a landmark ruling (Decision No. 2025/273 dated December 25, 2025), the Turkish Constitutional Court has now reshaped the legal framework governing limited liability companies (LLCs) with two partners.

The "Deadlock" Problem

The heart of the issue lays in the mathematical impossibility of achieving the required majority in an LLC with two shareholders. In an LLC where two partners hold equal shares (50/50), or where the aggrieved partner does not hold the absolute majority of the capital, it was practically impossible to secure the votes needed to formally resolve to expel the other partner. This statutory threshold gave rise to a corporate deadlock. Where one partner engaged in conduct detrimental to the business, the other partner was procedurally barred from pursuing an expulsion lawsuit, as the prerequisite general assembly resolution could never be adopted.

By annulling certain provisions of the Turkish Commercial Code (TCC) applicable to two-shareholder LLCs, the Constitutional Court has created an important legal avenue to resolve corporate "deadlocks" that had previously left partners with no effective remedy to remove an uncooperative shareholder.

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Annulments

Under the TCC, filing a lawsuit to expel a partner for just cause was contingent upon fulfilling strict procedural requirements at the general assembly level. The Constitutional Court specifically abolished these requirements exclusively for LLCs with two partners. The scope of the annulment is as follows:

Article 616/1 Paragraph h of the TCC

This provision established the authority to seek a partner's expulsion through court proceedings as an exclusive and non-delegable power of the general assembly. The Constitutional Court annulled this provision specifically with respect to "two-partner LLCs".

Article 621/1 Paragraph h of the TCC

This provision required a majority threshold to adopt the general assembly resolution necessary to initiate an expulsion lawsuit. Specifically, it demanded the affirmative votes of at least two-thirds of the represented votes, along with an absolute majority of the total voting capital. The Constitutional Court annulled the phrase "Applying to the court for the expulsion of a partner for just cause..." within this provision, once again exclusively in respect of "two-partner limited liability companies."

The Constitutional Court's Reasoning

The Constitutional Court grounded its landmark decision in the constitutional right to freedom of enterprise stated in Article 48 of the Constitution, which places an affirmative obligation on the state to safeguard companies from the detrimental conduct of their partners, while at the same time preserving the company's continued legal existence. The mechanism allowing for the expulsion of a partner on justifiable grounds is intended to resolve internal conflicts and enable the company to maintain its business operations effectively. However, the annulled provisions of the TCC effectively prevented LLCs with two partners from benefiting from this safeguard, thereby denying them the ability to remove a partner whose conduct hinders the company's activities.

Furthermore, although Article 636/3 of the TCC offers a possible alternative by allowing a partner to file for the dissolution of the company on the basis of just cause, the Constitutional Court found this remedy to be inadequate. Since in such proceedings, the courts enjoys discretion to dissolve the company, order the purchase of the claimant's shares and thereby remove the claimant, or adopt another suitable solution. The Constitutional Court emphasized that a dissolution action does not ensure the expulsion of the truly disruptive partner; on the contrary, it may lead to the removal of the innocent claimant whose request is based on legitimate grounds.

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Consequently, the Constitutional Court concluded that the lack of a direct and effective mechanism enabling LLCs with two shareholders to remove an uncooperative partner amount to a violation of the state's obligation to protect the freedom of enterprise and is incompatible with the constitutional guarantee of an effective legal remedy. On this basis, the restrictive provisions were found to be unconstitutional and annulled to the extent that they apply to LLCs with two partners.

Conclusion

The ruling marks an important development for investors and founders operating within LLCs with two partners. It resolves a statutory deadlock by empowering a partner to seek judicial intervention for the removal of an uncooperative co-partner, without being hindered by unworkable general assembly voting thresholds. Although it is a significant ruling, it is important to monitor the practical effects it will have in addressing the issues encountered in practice.

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