



# Bankruptcy of a Canadian company

The embargo on Turkey forced the bankruptcy of a Canadian defence company

On 24 August, 2021, the defence company Telemus Systems Inc. filed for bankruptcy as it lost its top customer due to the embargo on Turkey. In 2020, the company's financial books had recorded a net loss of approximately \$ 360,000 and staked another \$1.1 million this year leading to financial demise of the company.

In mid-2020, Global Affairs Canada (GAC) suspended export permits to Turkey for military goods and technology as a result of Ankara's military involvement in Syria and in the conflict over the Nagorno-Karabakh region between Armenia and Azerbaijan. Despite the company's efforts to reach a solution with Global Affairs Canada, the export permits for Telemus Systems Inc. to Turkey remained suspended.

As Telemus wasn't able to find other new customers and the embargo meant the company was no longer able to sell electronic intelligence and support systems to Turkish Aerospace Industries (TAI), their largest customer, no revenue could be generated. TAI used the products sold by Telemus to build and develop TAI Anka, a unmanned drone which was deployed in Syria.



Source: [Trustee's report on preliminary administration](#)