

TURKEY IMPOSES NEW FX RESTRICTIONS

Turkey expands the FX restrictions recently put in place, adding limitations on the ability to select FX as a currency of contracts between Turkish residents. Yesterday, the Turkish government amended Decree No. 32 on the Protection of the Value of the Turkish Currency ("Decree No. 32") with a presidential decree which enters into force today (13 September 2018). From now on, the transactions under following contract types must be in Turkish lira:

- sale and purchase contracts for any types of assets;
- lease contracts (including financial leasing);
- employment contracts;
- manufacturing, construction, production or other similar contracts; and
- services contracts.

These new rules only apply when the transaction is between Turkish residents. Further, the existing contracts falling within the scope of this restriction must be amended and the considerations must be converted into Turkish Lira within 30 days from 13 September 2018.

The presidential decree also authorises the Ministry of Treasury and Finance ("MoTF") to issue exemptions and clarifications to this rule, which are expected to be published soon. We recommend all investors closely monitor the upcoming legislative changes and the exemptions to be announced by the MoTF.

CONTACTS

Mete Yegin
Partner

T +90 212 339 0012
E mete.yegin@yeginciftci.av.tr

Sait Eryilmaz
Senior Associate

T +90 212 339 0060
E sait.eryilmaz@yeginciftci.av.tr

Irem Su
Senior Associate

T +90 212 339 0008
E irem.su@yeginciftci.av.tr

This publication does not necessarily deal with every important topic or cover every aspect of the topics with which it deals. It is not designed to provide legal or other advice.

www.yeginciftci.av.tr

© Yegin Ciftci Attorney Partnership 2018

If you do not wish to receive further information from Yegin Ciftci about events or legal developments which we believe may be of interest to you, please send an email to info@yeginciftci.av.tr.

Yegin Ciftci Attorney Partnership is registered with the Istanbul Bar.

Registered office: Kanyon Ofis Binasi, Kat 10, Buyukdere Cad. No:185 34394 Levent, Istanbul, Turkey