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International Tax Bulletin



Announcement of Ministry of Treasury and Finance on Communiqué No. 2022-32/66 Requiring Payment/Collection Obligation in Turkish Liras (TRY) for Sales of Securities in Foreign Currency or Indexed to Foreign Currency

Issue

2022/5

Date

30.04.2022

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As it is known, with the "Communiqué No. 2022-32/66 Amending the Communiqué No. 2008-32/34 on the Decision No. 32 on the Protection of the Value of Turkish Currency" published in the Official Gazette dated 19.04.2022:

- It is obligatory to fulfill and accept the payment obligations subject to the contract in Turkish currency, except for the vehicle sales contracts, which the residents of Turkey can conclude among themselves and where the contract price and other payment obligations arising from the contract can be determined in foreign currency or indexed to foreign currency.
- In contracts excluding real estate sales and real estate rentals to which public institutions and organizations or Turkish Armed Forces Foundation companies are a party, it is possible to make and accept payments in foreign currency or indexed to foreign currency (as in the past).

This time, the Ministry of Treasury and Finance (Ministry) published the "Announcement Regarding the Communiqué No. 2022-32/66 Amending the Communiqué No. 2008-32/34 on the Decision No. 32 on the Protection of the Value of Turkish Currency". Additional explanations have been made, aiming to eliminate the hesitations that occurred after the above-mentioned Communiqué.

According to the Announcement published by the Ministry, for persons residing in Turkey:

- Within the scope of the execution of the movable sales agreements concluded between themselves before 19.04.2022, the payment obligations within the scope of the foreign currency negotiable instruments entered into circulation before the effective date of the Communiqué No. 2022-32/66 shall not be required to be fulfilled and accepted in Turkish currency,
- Payment obligations within the scope of invoices issued before 19.04.2022 shall not be required to be fulfilled and accepted in Turkish currency,

- Payment obligations within precious metals and precious stones trading transactions carried out in foreign currency in Borsa İstanbul A.Ş. Precious Metals and Precious Stones Market and payment obligations within the scope of clearing these transactions shall not be required to be fulfilled and accepted in Turkish currency.

In the same Announcement, it is stated that:

- The term "movable" in the Communiqué covers all kinds of goods that do not fall under the definition of immovables,
- Since the amendment is related to the payment obligations subject to the securities sales agreements concluded/to be concluded among the residents of Turkey, There is no obligation to fulfill and accept payment obligations in Turkish currency regarding securities sales agreements concluded/to be concluded between residents of Turkey and non-residents,
- The date of 19.04.2022, when the new regulation came into force, and after this date, it is not possible to use the payment instruments such as checks, etc., which were issued in foreign currency, in fulfilling the payment obligations of the people residing in Turkey regarding the sales contracts of movables concluded/to be concluded among themselves,
- The amendment made does not include a provision that changes the current status of the vehicle sales contracts, and after the amendment, it will not be possible for the residents of Turkey to decide on the contract price and other payment obligations arising from these contracts in foreign currency or indexed to foreign currency in the vehicle sales contracts to be concluded among themselves, as before,
- Contracts made regarding the transactions carried out within the scope of the "Law on the Regulation of Public Finance and Debt Management" are not within the scope of the amendment made on 19.04.2022 (due to the fact that they are subject to Article 8/17 of the Communiqué),

- Within the framework of the Capital Markets Law and the regulations made based on this Law, it is possible to create, issue, trade and settle the liabilities regarding the transactions in foreign currency (including foreign capital market instruments and depository receipts and foreign investment fund shares) and liabilities related to these transactions are not within the scope of the amendment made on 19.04.2022 (According to Article 8/18 of the Communiqué),
- No change has been made regarding the acceptance and fulfillment of payment obligations in Turkish currency regarding contracts other than movable sales contracts in the other paragraphs of Article 8 of the Communiqué, and the existing exceptions are exactly valid.

You can find the original version of the Announcement (in Turkish) made by the Ministry here.

Kind Regards,

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