

## Circular

19 April 2022

Circular No: 42

**Subject: The obligation to perform payment liabilities within the scope of security sales contracts issued in foreign currency in Turkish currency has been introduced.**

**Summary:** *Under the Communiqué published in the Official Gazette dated 19 April 2022, the following amendments have been introduced in the Communiqué on the Decision no. 32 on the Protection of the Value of Turkish Currency:*

*- In the security sales agreements other than vehicle sales agreements which will be concluded among themselves by Turkish residents, the agreement amount and other payment liabilities arising from the agreements may be decided in or indexed to foreign currency. Under the new Communiqué, the statement that the contractual payment liabilities must be performed and accepted in Turkish currency has been added.*

*- In the agreements other than real estate sales and real estate rental, signed by public institutions and organizations of companies of the Foundation for Reinforcement of Turkish Armed Forces, the agreement amount and other payment liabilities arising from these agreements can be decided in foreign currency or indexed to foreign currency. Under the New Communiqué, the statement allowing the amounts to be decided in foreign currency or indexed to foreign currency has been amended as "...can be decided, paid and accepted in foreign currency or indexed to foreign currency."*

*The Communiqué became effective on the date of its publication (19 April 2022).*

The article 8 of the Communiqué on the Decision no. 32 on the Protection of the Value of Turkish Currency (Communiqué no: 2008-32/34) contains provisions on agreements in foreign currency or indexed to foreign currency.

Under the 9th paragraph of the article, it is stated that, in the security sales agreements other than vehicle sales agreements which will be concluded among themselves by Turkish residents, the agreement amount and other payment liabilities arising from the agreements may be decided in or indexed to foreign currency.

Under the Communiqué published in the Official Gazette dated 19 April 2022, the provision "However, the contractual payment liabilities in question must be performed and accepted in Turkish currency" has been added at the end of the aforementioned paragraph.

In the 15th paragraph of the article 9 of the Communiqué, it is stated that in the agreements other than real estate sales and real estate rental, signed by public institutions and organizations of companies of the Foundation for Reinforcement of Turkish Armed Forces, the agreement amount and other payment liabilities arising from these agreements can be decided in foreign currency or indexed to foreign currency.

Under the New Communiqué published on 19 April 2022, the statement allowing the amounts to be decided in foreign currency or indexed to foreign currency in the paragraph above has been amended as "...can be decided, paid and accepted in foreign currency or indexed to foreign currency."

The Communiqué became effective on the date of its publication (19 April 2022).

*Our explanations provided above include general information on the issue. No responsibility can be claimed against EY and Kuzey YMM ve Bağımsız Denetim A.Ş. due to the implications arising from the context of this document or emerging with respect to its context.*

Best Regards,

KUZEY YMM VE BAĞIMSIZ DENETİM A.Ş.