

Foreign Currency Payment Obligation for Real Estate Sales to Foreigners

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The Circular on Capital Movements published by the Central Bank of the Republic of Turkey ("**CMB**") has been amended to the effect that foreigners are obliged to pay in a foreign currency in their real estate purchase transactions in Turkey.

The CMB also published the Implementation Instruction Regarding the Sales of Foreign Exchange to the Central Bank of the Republic of Turkey within the scope of article 13 of the Circular on Capital Movements, with respect to the relevant amendment made in Circular on Capital Movements.

In this context, the additions made in the Circular on Capital Movements dated 2 May 2018 are as follows:

- Pursuant to the amendment made in article 13, persons who are not citizens of the Republic of Turkey are obliged to pay in a foreign currency when they are purchasing a real estate in Turkey.
- It has been regulated that prior to the title deed transactions the foreign exchange sales amount shall be sold to a bank to be then sold to CMB over the applicable exchange rate. The sales price shall be made in Turkish lira to the concerned parties.
- The relevant parties are obliged to submit to the title deed office, a document evidencing that the foreign exchange, which is the sales price has been sold to a bank, during the application for title deed transactions.
- Pursuant to the said Circular, foreign exchange sales to banks are made possible only by the buyer, seller, their proxies or representatives of the relevant real estate.
- In addition, it is obligatory to include the name, surname, passport number or foreigner identity number of the person who has exchanged foreign currency, the US dollar equivalent of the foreign currency bought, and a statement stating that this transaction was carried out within the scope of article 13 of the Circular in the explanation part of the foreign currency purchase documents.

In this context, the regulations under the Implementation Instruction published regarding the amendment made in the Circular are as follows:

- The currencies to be sold by the banks to the CMB are regulated as US dollars, Euros and British pounds.
- It is also clearly stated that after the completion of the foreign exchange buying process by the CMB, the sale of foreign currency cannot be forfeited for any reason and the related transactions cannot be cancelled.

The full text of the Circular published on 2 May 2018 by CBT is available at this [link](#).

The full text of the Implementation Instruction published on 21 January 2022 by CBT is available at this [link](#). (Both only available in Turkish)

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