

Latest Measures in Turkey's State of Emergency Introduce Employment Incentives and Fixed Currency Rate for Receivables

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Turkey has taken a series of new measures involving companies and public institutions in the wake of the State of Emergency first declared on 21 July 2016. Notable measures include allowing collection of certain receivables at a fixed Turkish Lira currency rate until the end of 2017, as well as introduce incentives for the private sector to employ unemployed people. Actions regarding loans which qualify as embezzlement have also been loosened.

Notable recent developments include:

- Until 31 December 2017, the following institutions can collect Turkish receivables in foreign currency, at the purchase rate declared by the Central Bank on 2 January 2017:
 - Public administrations and circulating capital establishments within the scope of the Public Finance Management and Control Law number 5018, dated 10 December 2003.
 - Government business enterprises and subsidiaries within the scope of Decree No 233 on Government Business Enterprises dated 8 June 1984.
 - Business establishments with capital at least half publically owned and within the privatization programme, as per Law on Privatization number 4046 dated 24 November 1994.
 - Joint stock companies established under privacy laws, which have public share directly or indirectly within their capital and Saving Deposit Insurance Fund.
- Transfer and assignment transactions which are made by shareholders of companies under guardianship will be deemed invalid, from the date of investigation until 7 February 2017 (Article 133 of the Criminal Court Law No. 5271, added by Decree No. 686).
- Employers can receive incentives for each person employed before 31 December 2017, who was previously registered as unemployed by the Turkish Employment Agency.
 - *Insurance premium* - TRY 22.22 per day will be granted to employers and deducted from social security premiums.
 - *Income tax* - Employers will no longer pay income tax exempt from the employee's minimum living allowance.
- The crime of embezzlement no longer includes transactions concerning loans which are used according to banking principles and procedures, nor extension of such loans, use of supplementary loans, installment loans, implementation of loan guarantees, or loan restructures.

Please see the following links for the full text of the relevant Decrees (only available in Turkish):

- [Decree No 683 on Taking Certain Measures Within the Scope of the State of Emergency published in Official Gazette number 29957 on 23 January 2017](#)
- [Decree No 687 on Taking Certain Measures Within the Scope of the State of Emergency published in Official Gazette number 29974 on 9 February 2017](#)
- [Decree No 686 on Taking Certain Measures Within the Scope of the State of Emergency published in Official Gazette number 29972 on 7 February 2017](#)

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