

New Foreign Exchange Payment Restrictions in Sales of Movable Assets have been Introduced

29 Apr 2022

With the Communiqué No: 2022-32/66 ("**Communiqué**") published by the Ministry of Treasury and Finance ("**Ministry**") in Official Gazette dated 19 April 2022 and numbered 31814, it has become obligatory to make payments in Turkish currency under movable sales contracts, concluded between people residing in Turkey, by making an addition to the paragraph in the Communiqué No: 2008-32/34. Ministry further published an announcement of how the changes under the Communiqué will be interpreted on 21 April 2022.

Within this scope;

- Under the Communiqué No: 2008-32/34, excluding vehicle sales contracts, all movable sales contracts between residents of Turkey can be concluded in foreign currency or denominated to a foreign currency.
- However, as of 19 April 2022 ("**Effective Date**"), while it is still possible to determine the payment obligations in foreign currency in movable sales contracts, it has become mandatory that all payment obligations are completed in Turkish lira at the time of payment.
- Sales of all assets and goods that do not fall under the definition of real estate, except for vehicles shall be evaluated within the scope of this provision.
- The changes do not alter the current provisions applicable to vehicle sales. Accordingly, it is still not possible to conclude any vehicle sales agreements between Turkish residents in a foreign currency or denominated to a foreign currency.
- It is not possible to use payment instruments such as cheques etc. issued in foreign currency for the fulfillment of the payment obligations of movable sales contracts executed among the residents of Turkey as of the Effective Date.
- Obligation to pay in Turkish Lira will not be applied to:
 - payment obligations for invoices drawn up between persons residing in Turkey before the Effective Date,
 - foreign currencies that have been already circulated for contract performance purposes before the Effective Date, and,
 - the precious metals and precious stone purchases and sales transactions carried out in foreign currency at Borsa İstanbul A.Ş. Precious Metals and Precious Stones Market.

Details of the Communiqué can be found through this [link](#) and the press release details of the Ministry through this [link](#) (Only available in Turkish.)

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