

Turkey Amends the Rules Allowing Central Bank to Monitor Transactions Which Impact Foreign Exchange Positions

23 Oct 2018

Turkey has amended rules for the Central Bank to collect information and documents from firms, allowing it to monitor transactions which affect an entity's foreign exchange position. Changes apply to the scope of qualifying entity's, deadlines for submitting the information, as well as registration processes for the Systemic Risk Data System ("**System**").

Notable amendments include:

- The scope of legal entities which must submit information if they meet certain thresholds for foreign currency cash loans and foreign currency indexed loans has been reduced. Accordingly, the requirement now applies to:
 - Private legal entities, excluding banks and financial institutions.
 - Metropolitan municipalities, municipalities and their affiliated enterprises and administrations.
 - Metropolitan municipalities' and municipalities' economic enterprises in which they hold more than half of the capital.
 - State economic enterprises.
 - Higher education institutions.
- For the quarterly periods ending 31 March, 30 June and 30 September, information must be submitted by the end of the second month following the respective period (previously, a one-month deadline).
- Reporting deadlines are set for the first time in relation to firms which apply the special accounting period. Accordingly, these must submit the information by:
 - The end of the second month following the end of quarterly interim periods
 - The end of the third month following the annual accounting period.
- The System will also allow registration through the security steps specified in the System, in addition to electronic signatures.
- The Central Bank is now authorized to:
 - Amend the System's notification and audit periods
 - Amend the support service organization
 - Amend notification procedures
 - Amend data form items to be audited

- Establish practices which are necessary due to specific circumstances regarding:
 - Firms that apply special accounting period.
 - Insolvent firms.
 - Firms where management and audit have been transferred to the Savings Deposit Insurance Fund.

The Regulation Amending the Regulation on Procedures and Principles Regarding Monitoring of Transactions Affecting Foreign Exchange Position by the Central Bank of Turkey was announced in Official Gazette number 30540 on 19 September 2018, entering into force on the same date. Please see this [link](#) for the full text (only available in Turkish).

Related Practices

- [Commercial Contracts](#)
- [Information Technologies](#)

Related Attorneys

- [DR. E. SEYFİ MOROĞLU, LL.M.](#)
- [NİLÜFER HOTAN](#)