

## Turkey Announces 2017 Default Interest Rate for Late Payments to Creditors Regarding Commercial Goods and Services

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Turkey's Central Bank has updated the default interest ratio to 10.75% for late payments made to creditors in the context of commercial transactions for goods and services. The minimum compensation amount which creditors can claim for recovery cost has also been updated to 150 TRY.

The Communiqué on Default Interest Ratio Determination of Late Payments Made to the Creditors With Regards to Provision of Goods and Services ("**Communiqué**") was published in Official Gazette number 29936 on 2 January 2017, entering into effect on 1 January 2017.

In January each year, Turkey's Central Bank determines the default interest ratio for late payments in delivery of goods and provision of services, where no default interest rate exists in agreements or the relevant provision is invalid in relation thereto are not valid (Article 1530, Turkish Commercial Code). The Central Bank must also set the compensation recovery amount.

Accordingly, the Communiqué sets the 2017 rates as:

- 75% default interest rate for late payments where no default rate is set in the agreement, or the relevant provision is invalid.
- 150 TRY as the minimum compensation amount for recovery cost.

Please see this [link](#) for the full text of the Communiqué (only available in Turkish).

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