

Turkey Announces 2018 Default Interest Rate for Late Payments to Creditors Regarding Commercial Goods and Services

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Turkey's Central Bank has determined the default interest rate as 10.75% for late payments made to creditors in the context of commercial transactions for goods and services, the same rate as used in 2017. The minimum compensation amount which creditors can claim for recovery cost has also increased from 150 to 185 Turkish Liras.

The Communiqué on Default Interest Ratio Determination of Late Payments Made to Creditors for Provision of Goods and Services ("**Communiqué**") was published in Official Gazette number 30288 on 1 January 2018, entering into effect on the same date.

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 2018 rates as:

- 75% default interest rate for late payments where no default rate is set in the agreement, or the relevant provision is invalid.
- 185 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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