

Turkey Introduces Disclosure and Audit Obligations for Foreign Exchange Loans Exceeding \$15 Million

16 Mar 2018

Companies in Turkey must now make information disclosures to the Central Bank when their foreign currency loans and foreign exchange loans (either from Turkey and abroad) amount to \$15 million or more. Turkey's Central Bank will establish an online system for this purpose. These companies must also assign an auditor to review their disclosures to the Central bank.

The Regulation on Principles and Procedures for Monitoring Transactions Affecting Foreign Currency Position by the Central Bank of Turkey ("**Regulation**") was published in Official Gazette number 30335 on 17 February 2018.

Notification Obligations

Companies with \$15 million or more in foreign currency loans and foreign exchange loans (from Turkey and abroad) on the last working day of the relevant accounting period must now report certain data to the Central Bank from the following accounting period onwards.

If the amount later falls below \$15 million, the company will no longer be required to make this disclosure, starting from the following accounting period.

Loan calculations will be determined according to the foreign exchange buying rates, published in the Official Gazette on the last business day of the related accounting period.

Systematic Risk Data Tracking System

The Central Bank will establish the Systematic Risk Data Tracking System, for these purposes.

Companies which must make disclosures to the Central Bank will be required to use the online system at certain dates (to be announced), using the Central Bank's data form prepared according to the financial reporting framework.

The company's management is responsible for the accuracy and completeness of the data reported to the Central Bank, which will also cross-check the reported data.

The Central Bank can take further action if a company fails to report, reports incorrectly or incompletely, or fails to correct violations.

Audit Obligations

Companies which must make disclosures to the Central Bank must engage an auditor within 60 days of the date the obligation arises. The auditor will supervise the data which the company entered into the Central Bank's system.

The company must identify the auditor to the Central Bank and also upload a copy of the engagement agreement.

Independent audits must be completed by 31 May of the following year, in accordance with the regulations of the Public Oversight, Accounting and Auditing Standards Institution.

If the Central Bank requires, audits may be carried out before the firms.

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

Related Attorneys

- [DR. E. SEYFİ MOROĞLU, LL.M.](#)
- [BURCU GÜRAY](#)