MOROĞLU ARSEVEN

Update on Anti-Corruption

3 Dec 2014

With the announcement of <u>Transparency International's 2014 Corruption Perceptions Index</u> on Dec.3, 2014, Turkey is again in the spotlight of criticism in its fight against corruption.

The results reflect that Turkey suffered the biggest drop in score (down five points to 45) and took the 64th place, with a drop of 11 spots from its 53rd in 2013 among 175 countries involved in the index. This drop obviously melts down the last six years' progress and gains achieved by Turkey in its ranking.

Although Turkey was considered to have good legislative progress in this area within the last decade, this progressing image was shadowed due to insufficient response to the corruption allegations raised against members of the former cabinet in late 2013. The recent media ban imposing prohibition on reporting of the parliamentary inquiry into these corruption allegations was also among the unpleasant developments. The later raised international concerns on not only the determinism of Turkey against the fight against corruption, but also on its implementation of freedom of speech.

As suggested by Mr. Jermyn Brooks of Transparency International (in his speech given at the launch of the recently published report based on a perception study conducted by TUSIAD - Turkish Industrialists and Businessmen's Association among Turkish business circles) it was expected that the developments of the last year would have an adverse effect on Turkey's ranking and now it is evident that all these recent developments obviously found their way into the analysis on Turkey.

The reflections of this recent development might reveal itself in the level of incoming foreign direct investment into Turkey and increased cost base of maintaining operations in Turkey due to potential more rigid compliance efforts needed in the territory.

Please contact us via <u>e-mail</u>, should you need any further information on the specific developments or on any other related issues that we can provide support to you.

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