

Updates in the Rules Applicable to Authorized Institutions for Foreign Exchange Transactions

24 Dec 2021

Communiqué numbered 2021-32/62, 2021-32/64 and 2021-32/65 on amending Communiqué numbered 2018-32/45 regarding Decision Number 32 on the Protection of the Value of the Turkish Currency ("**Communiqué**") were issued by the Ministry of Treasury and Finance entered into effect.

The prominent changes applicable to authorized institutions for foreign exchange and precious metals ("**Authorized Institutions**") under the amended Communiqué are as follows:

- In all transactions over USD 100 or Turkish Lira equivalent of this amount carried out, Authorized Institutions shall take record of the Turkish ID or passport number and/or tax number of the customer.
- Authorized Institutions are prohibited from acquiring any real estate other than the workplace where they operate.
- The minimum paid-in capital amount requirements have been increased for both groups of Authorized Institutions (A and B). According to this, it has been determined that the paid-in capital of A group authorized institutions cannot be less than 10 million Turkish Liras, and the paid-in capital of B group authorized institutions cannot be less than 5 million Turkish liras.
- Authorized Institutions (A and B Groups) that have been granted an operating license by the Ministry which are already in operation as of 12 October 2021 are obliged to increase their capital to the new minimum capital as of 31 December 2022. If this obligation is not fulfilled, an additional period of 90 days will be given to the relevant institutions. If they do not fulfil their obligations at the end of this period, the operating licenses of the Authorized Institutions will be cancelled without any further warning.
- In addition, for the incorporation of the Authorized Institutions, it is now required that the managers of the institution and the persons who play an important role in the management of the institution should not have been charged with tax crimes or infamous crimes, especially crimes against the state.
- The transition from group A to group B or transition from group B to group A of Authorized Institutions that have received a license to operate from the Ministry is subject to the permission of the Ministry.
- Authorized institutions are obliged to keep, for at least 5 years, the documents they have to issue and the records duly kept.
- Authorized institutions are obliged to give a unique transaction number to each transaction they carry out. The details as to unique transaction numbers will be separately regulated by the Ministry.
- Statements regarding the reconciliation transactions of foreign currency accounts will be kept electronically by Authorized Institutions for 8 years.
- Foreign currency trading accounts shall not be used or provided as collateral for any business or transaction other than foreign currency trading or transferring the amounts related to these transactions to the said accounts.
- No interest and/or profit share will be charged to foreign currency trading accounts under any name.
- Bank accounts that do not belong to the Authorized Institution cannot be used in foreign currency purchase and sale transactions.
- Authorized Institutions are obliged to have a functioning camera and video recording system installed within the framework of the procedures and principles determined by the Ministry.
- Authorized Institutions are obliged to keep the records obtained with the camera and video recording systems for at least 1 year (6 months before the change) from the date of recording.
- Authorized Institutions are obliged to back up the recordings obtained with camera and video recording systems on a weekly basis at a location different from the existing workplaces or with the same image quality by using cloud computing services. They are also obliged to keep these data for at least 1 year.

You can access the details of the changes via following links:

Communiqué Numbered 2021-32/62 Amending the Communiqué Regarding Decision Number 32 on the Protection of the Value of Turkish Currency (Communiqué numbered 2018-32/45), published in Official Gazette dated 12 October 2021 and numbered 31626.

Communiqué Numbered 2021-32/64 Amending the Communiqué Regarding Decision Number 32 on the Protection of the Value of Turkish Currency (Communiqué numbered 2018-32/45), published in Official Gazette dated 18 November 2021 and numbered 31663.

Communiqué Numbered 2021-32/65 Amending the Communiqué Regarding Decision Number 32 on the Protection of the Value of Turkish Currency (Communiqué numbered 2018-32/45), published in repeated Official Gazette dated 18 November 2021 and numbered 31663.

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