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APRIL 19, 2022

IT BECOMES MANDATORY TO MAKE AND ACCEPT PAYMENTS IN TURKISH LIRA REGARDING THE FX OR FX-INDEXED SALES AGREEMENTS OF MOVABLES

With the communiqué No: 31814 of April 19, 2022 published on the Official Gazette, the following amendment has been made to paragraph 9 of Article 8 titled **“Foreign Currency and Foreign Currency-Indexed Contracts”** of Communiqué No. 32 on the Protection of the Value of the Turkish Currency (Communiqué No: 2008-32/34).

Text of the article before the amendment: **Text of the article after the amendment:**

(9) It is possible for persons residing in Turkey to determine the contractual amounts for sales contracts of goods drawn up among them, excluding vehicle sale contracts, and other payment obligations resulting from said contracts in foreign currencies and said contracts may be foreign currency indexed.

(9) It is possible for persons residing in Turkey to determine the contractual amounts for sales contracts of goods drawn up among them, excluding vehicle sale contracts, and other payment obligations resulting from said contracts in foreign currencies and said contracts may be foreign currency indexed. **However, the contractual payment obligations must be fulfilled and accepted in Turkish currency.**

This regulation mandates that as of April 19, 2022, payments born of foreign currency or foreign currency-indexed sales of movables by persons residing in Turkey to

persons residing in Turkey, must be made and accepted in Turkish currency. “Movables” here include the following:

- Raw Materials and Supplies
- Semi-Finished Goods
- Finished Goods
- Trade Goods
- Fixtures
- Machinery and equipment
- Similar assets

Payments for foreign currency and foreign currency-indexed purchases and sales of the above-mentioned assets by persons residing in Turkey must be made and accepted in Turkish currency.

The press release made by the Ministry of Treasury and Finance on the subject states that persons residing in Turkey;

1. will not be required to use Turkish currency for the payments within the scope of foreign currency negotiable instruments that entered into circulation before the effective date of the Communiqué No: 2022-32/66 (April 19, 2022) for the performance of the movable sales agreements they have concluded between themselves; but that checks and similar payment methods filed on and after April 29, 2022 in foreign currencies may not be used for payments of movable sales agreements that persons residing in Turkey have concluded/will conclude between themselves,

2. will not be required to make and accept payment in Turkish currency for payment obligations born of invoices filed before April 19, 2022,

3. are not required to make and accept payments in Turkish currency for movable sales agreements made/to be made with persons residing out of Turkey, since this amendment concerns the payment obligations born of movable sales agreements made/to be made between persons residing in Turkey.

Sincerely,

**DENGE İSTANBUL YEMİNLİ
MALİ MÜŞAVİRLİK A.Ş.**

(*) The remarks in our circulars are for information purposes only. We recommend that the opinion and support of a qualified counsellor be received before establishing final transactions on the questionable matters. Our company shall not be held responsible for any damages to be incurred as a result of transactions to be made solely on the basis of the statements in our circular.

(**) For opinions, criticism and questions about our circulars, you can contact our specialists below.

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