

Amendments to the Communiqué on Decree No. 32

The Undersecretariat of Treasury Prime Ministry of Turkey (the "UT") introduced amendments to the Communiqué on Decree No. 32 on the Protection of the Value of the Turkish Currency numbered 2008-32/34 (the "**Communiqué**") effective as of 30 December 2015.

▪ Offshore Investments

Residents of Turkey will, from the effective date, need to notify the Ministry of Economy, as well as the UT, of (i) capital (cash or in kind) movement made for incorporating companies and opening branches outside Turkey or becoming shareholder in companies incorporated outside Turkey, and (ii) liquidation or transfer of their companies, partnerships or branches incorporated outside Turkey. This notification can now be made through a form available at the website of the Ministry of Economy (which was formerly available at UT's website).

▪ Cross-Border Money Transfers

The Communiqué determined declaration procedures and clarified notification procedures in respect of cross-border money transfers in accordance with Decree No. 32. Accordingly, passengers intending to leave Turkey with

cash or similar payment instruments in the amount of EUR 10,000 (or its equivalent) or TRY 25,000 or more would be required to declare this to the customs offices. The customs offices may hold the relevant amounts and certain administrative penalties may be imposed if the passengers fail to make the above declarations. They may also face criminal charges depending on the specifics of the act.

The customs offices will notify the Turkish Central Bank of cash outflows exceeding USD 50,000 on a monthly basis. The banks are also required to inform the Turkish Central Bank of cross-border money transfers exceeding USD 50,000 (or its equivalent) (save for export, import and invisible trade transactions) within 30 days of the transfer date.

This publication does not necessarily deal with every important topic or cover every aspect of the topics with which it deals. It is not designed to provide legal or other advice. If you require legal advice, or further details on any matter referred to, please speak to your usual contact at our Firm.

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