

# OKAT LAW

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## **Subject: Treasury Announcement- FX Payments for Shares/Bonds**

The agreement value and other payment obligations arising from agreements entered into by and between Turkish residents on sale and purchase of moveable properties were prohibited to be agreed in a foreign currency or to be indexed to a foreign currency as per Article 4(g) of the Decree No. 32 Regarding Protection of the Value of Turkish Currency (the “**Decree No.32**”), which was added thereto on September 13, 2018. Exceptions to this rule were defined on November 16, 2018 with an amendment on Communiqué No. 2008-32/34 on the Decree No. 32 (the “**Communiqué**”).

Last week on April 19, 2022, Article 8/9 of the Communiqué was amended and the last sentence was added to this provision as below:

“The persons residing in Turkey are allowed to agree the consideration and other payment obligations in foreign currency or indexed to foreign currency on agreements to be entered into by and between such Turkish residents regarding the sale of movable properties, other than vehicle sale agreements. **However, the payment obligations arising from such agreements shall be paid and accepted in Turkish Lira.**”

Among others, the addition caused discussions on whether the TL payment obligation was applicable to the sale of capital market instruments (such as shares or bonds), which are deemed to be “movable properties”.

Kindly note that, the Ministry of Treasury and Finance (the “**Ministry**”) issued an announcement on April 21, 2022 and clarified that, as per Article 8/18 of the Communiqué, capital market instruments (shares, bonds, foreign capital markets instruments, foreign fund shares etc.) could be created, issued, purchased and sold in foreign currency and obligations

regarding relevant transactions could be agreed to be made in foreign currency. The Ministry also noted that the abovementioned TL payment obligation is not applicable to capital markets instruments.

To discuss the impact of this regulation further, please contact our Partner Özge Okat ([yookat@okatlaw.com](mailto:yookat@okatlaw.com)).

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