



THE COMMUNIQUÉ ON SUPPORTING THE CONVERSION OF FX DEPOSITS TO TURKISH LIRA DEPOSIT AND PARTICIPATION ACCOUNTS HAS BEEN AMENDED

The Communiqué on Supporting the Conversion of FX Deposits to Turkish Lira Deposit and Participation Accounts (“**Communiqué**”) numbered 2021/14 introduced by The Central Bank of The Republic of Turkey (“**Central Bank**”) was published in the Official Gazette dated 21 December 2021 and numbered 31696-1 Repetitive¹. In the Communiqué, regulations were introduced to provide support to deposit and participation account holders who are real persons residing in Turkey in case the foreign current amounts in their foreign currency deposit accounts and participation funds are converted into Turkish Lira time deposit and participation accounts.

With the Communiqué numbered 2021/17 Amending the Communiqué on Supporting the Conversion of FX Deposits to Turkish Lira Deposit and Participation Accounts (No: 2021/14) published in the Official Gazette dated 31 December 2021 and numbered 31706, the definitions of conversion rate and maturity rate were changed.

This time, the Communiqué numbered 2022/1 Amending the Communiqué on Supporting the Conversion of FX Deposits to Turkish Lira Deposit and Participation Accounts numbered 2021/14 (“**Amending Communiqué**”) introduced by Central Bank was published in the Official Gazette dated 11 January 2022 and numbered 31716.

The Amending Communiqué has introduced the following amendments:

1. In addition to resident real persons, **legal persons residing in Turkey** are also included in the scope of the Communiqué.
2. The definition of “resident legal persons” has been added to the Communiqué. In this context, resident legal persons refer to legal entities that have their legal residence in Turkey, excluding banks and other financial institutions determined by the Central Bank.
3. The legal person account holders of foreign currency deposit accounts and foreign currency participation funds balances denominated in US dollars, Euros and British Pounds as of **31 December 2021**, may benefit from the Central Bank’s support for FX risk protection in case they convert current balance in such accounts into Turkish lira at the conversion rate defined in the Communiqué.
4. Amounts converted into Turkish lira will be deposited into a Turkish Lira deposit or participation account with a maturity of 6 months or 1 year. In this context, resident legal persons will not be able to open accounts with a maturity of 3 months, contrary to resident real persons.

¹ You may find our newsletter with regards to the Communiqué on our LinkedIn account and on the following website: <https://www.aschukuk.com/en/publications/22-december-2021-70>