

CENTRAL BANK OF TURKEY AMENDED ITS ARTICLES OF ASSOCIATION FOR MONITORING FX CURRENCY POSITIONS

This Legal Alert seeks to provide information regarding the amendment made to Central Bank of Turkey’s Articles of Association for the monitoring of real and legal persons’ transactions that would affect their foreign currency positions

In parallel with the “*Directive on Principles and Procedures Concerning the Monitoring of Transactions Affecting Foreign Currency Position by Central Bank of Turkey*” published by the Central Bank of Turkey¹ (“**Central Bank**”), which sets the rules regarding the newly enacted data tracking system, in the Official Gazette dated 23/06/2018, the Central Bank of Turkey published a decree for the amendment of Article 44 of its Articles of Association.

Pursuant to this amendment, Central Bank has been rendered authorized to request all kinds of documents and information (“**Data**”) from all real and legal persons that it would deem necessary for monitoring the transactions that affect such persons’ foreign currency positions.

With the amended version of the article,

¹ Please find Legal Alert that provide information pertaining to the Directive, published on our Firm’s website on 28/02/2018.

- Central Bank has been authorized to set the related methods and principles such as determining the scope of the Data, the methods for collecting and monitoring the Data, auditing the Data's authenticity, ability to share the Data with third parties and the receipt of outsourcing services in this regard, and
- Employees of the outsourcing companies are required to keep the Data confidential and refrain from disclosing the Data to any third party other than the legally required entities and if any employee discloses the Data for its own benefit or for the benefit of a third party, such employee will be sanctioned with imprisonment and judicial penalty.

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