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Banking & Finance

ADDITIONAL REPORTING REQUIREMENT ON FOREIGN EXCHANGE POSITIONS

The Central Bank of the Republic of Turkey (the “**CBRT**”) recently increased the frequency of the reporting requirement set forth under the Regulation on the Procedure and Principles regarding the Central Bank of the Republic of Turkey’s Monitoring of Transactions Affecting the FX Position (the “**Regulation**”) through an official letter sent to the relevant Turkish companies (the “**Letter**”). The purpose of this requirement is to monitor the general trends in the country's economy and the effects of the applied economic policies by the CBRT.

What’s New?

As per the Article 5 of the Regulation, Turkish companies whose aggregate foreign currency denominated and indexed loans are at least USD 15 million are obliged to report the required information on their financial statements at the end of each quarterly accounting period. Following the Letter, respective companies are now required to report any transactions affecting their foreign exchange positions weekly to the CBRT by completing Corporate Monitoring Weekly Data Form (the “**Form**”), which is also issued by the CBRT.

The companies meeting the aforementioned conditions shall report their financial data prepared in accordance with the Uniform Chart of Accounts (*Tek Düzen Hesap Planı*) which is published by the Ministry of Finance.

These weekly reports shall be prepared in accordance with Tax Procedure Law No. 213, without the need to calculate rediscount or accrual and sent to the CBRT’s official email account by the close of business on every Tuesday starting from June 16, 2020.

Conclusion

The CBRT has tightened the corporate monitoring process in order to provide up-to-date information on companies' financial statements and to meet foreign currency position data requirements based on financial statements.

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