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Subject: Monetary values stated on contracts executed among Turkish residents shall be determined in Turkish Lira.

Presidential Decree no.85 regarding the Decree No. 32 on the Protection of the Value of the Turkish Currency has been published in the Official Gazette on September 13th, 2018 and entered into force on the same date.

Accordingly, except under certain circumstances to be determined by the Ministry, the value and any other payment liabilities arising from the contracts which are executed among Turkish residents and which involve;

- Purchase and sale of movable and immovable properties,
- Leasing of all kinds of movable and immovable properties including vehicle and financial leasing,
- Employment agreements,
- Service and work agreements

are not allowed to be determined in a foreign currency or in a foreign currency indexed value.

Furthermore, monetary values stated on contracts denominated in foreign currency under the existing agreements, which have already been executed and are still in force, shall be re-determined in Turkish Lira within 30 days from the date of 13.09.2018 (enforcement) which is until 13.10.2018, except for the cases to be indicated by the Ministry.

However, the foreign exchange rate to be used in order to convert the agreements into TL has not been stated in the decree.

Secondary legislation is expected to be published in order to clarify the implementation of the above mentioned regulation.

Yours sincerely,
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