

## The Table Showing the Agreements Prices in Which Cannot be Determined in Foreign Currency or Directly or Indirectly<sup>i</sup> Indexed to Foreign Currency

	Type of Agreement <sup>ii</sup>	Subject to the Restriction		Article of the Communiqué
		Subject to	Not subject to	
Executed between Turkish residents <sup>iii, iv</sup>	Real estate <sup>v</sup> sales agreements	Yes		8/1
	Real estate rental agreements	Yes		8/2
	Employment contracts	Yes		8/3
	Employment contracts relating to the work to be performed abroad		Yes	8/3
	Employment contracts of Turkish residents who do not have Turkish citizenship (expat contracts)		Yes	8/11
	Employment contracts of non-residents: having an office, branch office, representative office, liaison office; directly or indirectly holding 50% or more of the shares of companies in Turkey; or - within the scope of their activities in free trade zones - companies in free trade zones		Yes	8/16
	Service contracts <sup>vi</sup>	Yes		8/4
	Consultancy, brokerage and transportation services contracts	Yes		8/4
	Service contracts in which the counterparties are not citizens of the Republic of Turkey		Yes	8/4
	Service contracts within the scope of export, transit trade, export sales and deliveries, and foreign exchange earning services and activities		Yes	8/4
	Service contracts within the scope of activities to be carried out abroad by Turkish residents		Yes	8/4
	Service contracts related to electronic communication that starts in Turkey and ends abroad as well as electronic communication that starts abroad and ends in Turkey		Yes	8/4
	Sales agreements related to software produced abroad within the scope of information technologies and license and service agreements related to hardware and software		Yes	8/8
	Service contracts of non-residents: having an office, branch office, representative office, liaison office; directly or indirectly holding 50% or more of the shares of companies in Turkey; or - within the scope of their activities in free trade zones - companies in free trade zones		Yes	8/16
	Independent contractor agreements	Yes		8/5
	Independent contractor agreements related to the construction, repair and maintenance of the ships that are defined in the Law Amending Turkish International Ship Registry Law numbered 4490 and Legislative Decree numbered 491		Yes	8/5

<i>Sales and rental agreements related to movable properties</i>		Yes	8/6,7
<b>Sales and rental agreements of vehicles and construction equipment</b>	Yes		8/6,7
<i>Financial leasing agreements related to ships that are defined in the Law Amending Turkish International Ship Registry Law numbered 4490 and Legislative Decree numbered 491</i>		Yes	8/9
<i>Financial leasing agreements that will be executed within the scope of articles 17 and 17/A of the Decree No.32</i>		Yes	8/10
<i>Rental agreements of vehicles including construction equipment that were executed before 13 September 2018</i>		Yes	8/22
<i>Agreements in which one counterparty is Public Entity or a company of Turkish Armed Forces Foundation</i>		Yes	8/12
<b>Real estate sales/rental agreements in which one counterparty is a public entity or a company of Turkish Armed Forces Foundation</b>	Yes		8/12
<i>Contracts in which the contractors contract with third parties within the scope of fulfilment of tenders, contracts, international agreements in foreign currency which public institutions and organizations are party to</i>		Yes	8/13
<b>Agreements within the scope above subject matter of which is sale and/or rental of real estate, or employment contracts</b>	Yes		8/13
<i>Contracts executed by banks in relation to transactions of the Treasury and the Ministry of Finance in accordance with the Public Finance and Debt Management Law numbered 4749</i>		Yes	8/14
<i>Obligations related to forming in foreign currency, issuance, purchase and sale and other relevant transactions of capital market instruments (including foreign capital market instruments, depositary receipts and foreign investment fund units) within the scope of capital markets legislation</i>		Yes	8/15
<i>Agreements in which the counterparty is: (i) commercial aviation enterprises resident in Turkey which provide passenger, cargo load and mail transportation services; (ii) companies which provide technical maintenance services related to air freight vehicles, motors and parts and pieces of these; (iii) public or private law legal entities licensed or authorized to perform ground handling services at the airports within the scope of civil aviation legislation with companies and businesses established by aforementioned enterprises and where such entities have at least 50% of the shares of the companies directly or indirectly</i>		Yes	8/17
<b>Agreements within the scope above subject matter of which is a real estate sale or rental</b>	Yes		8/17

<sup>i</sup> The prohibition also covers agreements which are indexed to precious metals and/or commodities that are priced in foreign currency in international markets and/or agreements indirectly indexed to foreign currency.

<sup>ii</sup> The prohibition covers not only the contract price but also other (secondary) payment obligations arising therefrom. It is not possible to draft commercial papers in foreign currency or indexed to foreign currency which are within the scope of contracts for which the contract price and other payment obligations arising therefrom cannot be determined in foreign currency or indexed to foreign currency.

<sup>iii</sup> Residents in Turkey are defined in Decree No.32 as "Legal and natural persons with a legal settlement in Turkey, including overseas workers, self-employed and independent business owner Turkish citizens". However, offices, branch offices, representative offices, liaison offices of Turkish residents abroad; foreign funds operated or managed by Turkish residents; foreign companies in which Turkish residents hold 50% or more of the shares and the companies directly or indirect held by these companies are considered Turkish residents in the application of this article of Decree No. 32.

<sup>iv</sup> Agreements in which one counterparty is a non-resident are not in the scope of the prohibition.

<sup>v</sup> "Real estate" term in this table refers to real estate in Turkey, including those in free trade zones.

<sup>vi</sup> Service agreements are not defined in the Communiqué. Further there is no guidance with respect to sui generis and/or mixed agreements in which there is an obligation "to provide a service". Hence, the scope of the prohibition is unclear. Therefore, legal characteristic of each agreement must be determined separately.

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**Umurcan Gago**

Partner, Lawyer

T: +90 (212) 326 6472

umurcan.gago@gsg hukuk.com

**Alper Onar**

Senior Manager, Lawyer

T: +90 (212) 326 6311

alper.onar@gsg hukuk.com

**Pınar Tatar**

Senior Manager, Lawyer

T: +90 (212) 326 6671

pinar.tatar@gsg hukuk.com

**Gizem Sözenođlu**

Manager, Lawyer

T: +90 (212) 326 6483

gizem.sozenoglu@gsg hukuk.com