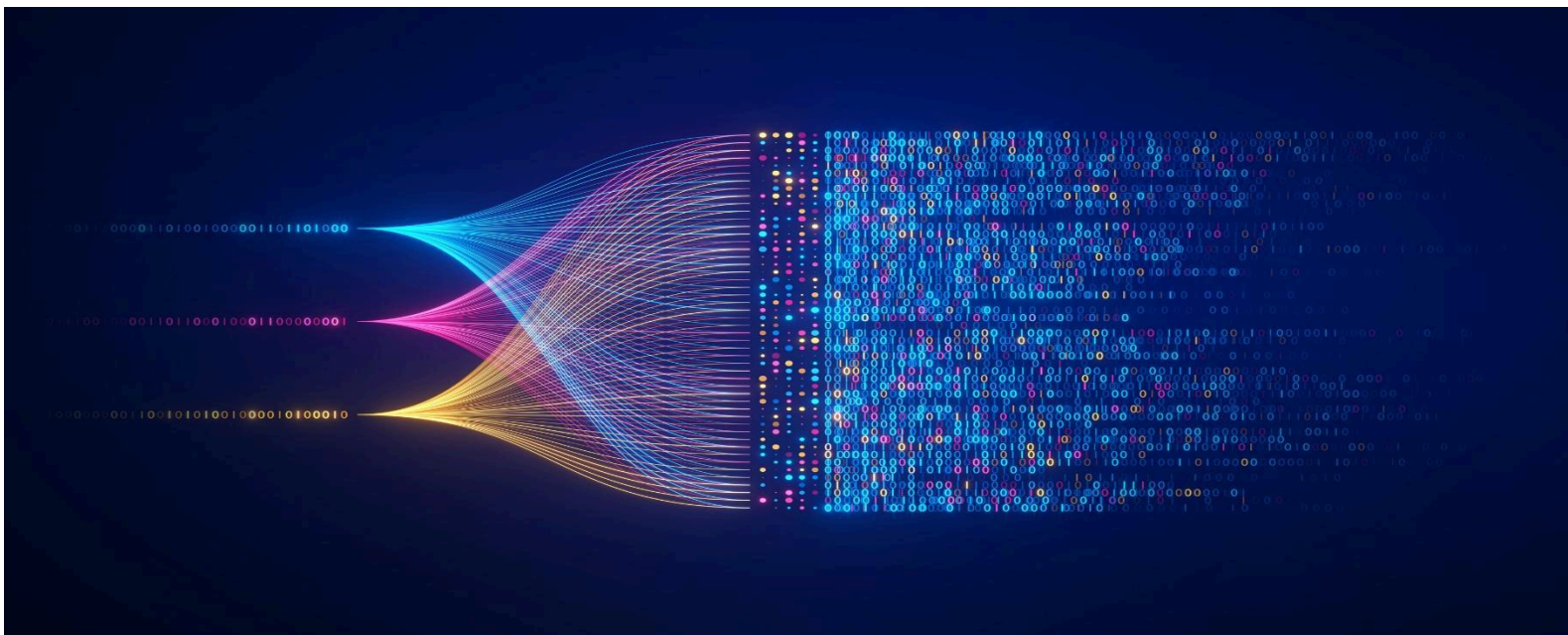


Legal Alert: Abolishment of the Regulation on Support for Legal Entities with Foreign Currency Liabilities



On January 2, 2025, the Turkish Official Gazette published Regulation No. 2025/1, titled Regulation on the Abolishment of the Regulation on Support for Legal Entities with Foreign Currency Liabilities (No. 2023/6). This regulation removes the previously established provisions related to providing support for legal entities with foreign currency liabilities through foreign currency conversion or Turkish Lira denominated deposit and participation accounts.

Key Amendments:

1. Abolishment of Support Mechanism
 - The Regulation No. 2023/6 that provided support to resident legal entities in Turkey with foreign currency liabilities, specifically regarding foreign currency conversion or Turkish Lira deposit and participation fund accounts, has been officially abolished. This removal marks the cessation of this specific support mechanism for legal entities.

Implications for Legal Entities:

1. Legal entities previously benefiting from the support provided under Regulation No. 2023/6 will no longer be eligible for assistance regarding foreign currency conversions or Turkish Lira denominated deposit and participation accounts.
2. Companies should adjust their financial operations and expectations in response to the removal of this support.

Conclusion:

The abolishment of Regulation No. 2023/6 marks a significant change in the support system for legal entities with foreign currency liabilities. Legal entities should take immediate action to align with this regulatory shift and adapt their operations accordingly to avoid potential impacts.