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SIGNIFICANT AMENDMENTS TO THE LAW ON THE PROTECTION OF THE VALUE OF TURKISH CURRENCY

The Law No. 7555 on the Amendment of the Law on the Protection of the Value of Turkish Currency and Certain Laws and Decree Law No. 635 (“Amending Law”) was published in the Official Gazette dated 24/07/2025 and numbered 32965.

The Amending Law has introduced significant changes to the Law on the Protection of the Value of Turkish Currency dated 20/02/1930 and numbered 1567 (“Law”).

Regulatory Authority of the President

The Amending Law expands the scope of the regulatory authority granted to the President under the Law, not being limited to foreign exchange transactions alone, to also cover the import and export of assets such as foreign currency, precious metals and stones, goods made from or containing such items, commercial papers, and other means and instruments of payment. In this way, broader secondary regulatory authority has been granted to the President for the purpose of protecting the value of the Turkish currency.

Administrative Sanctions

The Amending Law stipulates that, in cases where the assets subject to regulation under the Law are taken out of or brought into the country without authorization, and provided that the act does not constitute a criminal offence or misdemeanour under the Anti-Smuggling Law dated 21/03/2007 and numbered 5607, an administrative fine ranging from half to twice the market value of the relevant asset or property shall be imposed. If the act remains at the attempt stage, the fine shall be reduced by half.

Accordingly, an administrative fine ranging from half to twice the market value of the relevant asset has been introduced, depending on the nature of the act, in place of the previous provision annulled by the Constitutional Court decision dated 06/03/2025 (M. 2024/169, D. 2025/72) on the grounds that it constituted a disproportionate interference. In the annulled provision, the prescribed administrative fine was equal to the market value of the asset or goods in all cases—regardless of the nature of the act or the severity of the offense—, and half of the market value in the case of an attempt.

Additionally, the Amending Law restructures the administrative sanctions applicable to unauthorized transactions under the Law (such as unauthorized foreign exchange and precious metal trading). In this context:

- At the first stage, the activities at the workplace where the unauthorized activity was conducted shall be suspended for 1 (one) month,
- If the unauthorized activity is repeated within 5 (five) years following the finalization of the administrative sanction decision, an administrative fine shall be imposed at the upper limit,
- If it is understood that the relevant workplace was opened or operated solely for the purpose of engaging in activities that require authorization or permit under the Law, all activities at that workplace shall be permanently suspended, and an administrative fine shall be imposed at the upper limit,
- In the event of repetition of the same administrative offence under the Law within 5 (five) years following the finalization of the administrative sanction decision, the applicable administrative fine shall be imposed at twice the standard rate.

Activity Permits and Fee Schedule

Taking into account the Constitutional Court's annulment decision dated 09/05/2024 (M. 2021/106, D. 2024/101), the Amending Law clearly stipulates that certain activities may only be carried out with prior authorization from the Ministry of Treasury and Finance ("Ministry"). In this context, it is explicitly regulated that the following activities shall be subject to authorization by the Ministry:

- Foreign exchange trading for commercial purposes,
- Activities conducted as a member of the Borsa Istanbul Precious Metals Market,
- Precious metal refining activities,
- Activities carried out under the Kimberley Process Certification Scheme (an international certification and monitoring mechanism aimed at preventing the entry of conflict diamonds into global markets).

It has also been regulated that the Ministry shall be authorized to determine the operational regions of the joint stock companies conducting these activities, to revoke authorizations, and to supervise compliance with the economic purposes and fields of activity to which such companies are bound.

Furthermore, regarding the authorizations to be obtained from the Ministry for the conduct of activities under the Law, the following have been subjected to fees pursuant to the fee schedules annexed to the Law:

- Activity permit applications,
- Branch openings,
- Changes in operational region,
- Share transfers.

Fees ranging between TRY 5,757,200 and TRY 40,300,400 are prescribed depending on the type of activity. It is also regulated that these fees shall be increased annually in accordance with the revaluation rate, and that the President shall be authorized to increase such fees by up to two times or reduce them by up to half.

Conclusion and Assessment

The amendments introduced by the Amending Law serve the purpose of eliminating certain uncertainties in practice by clarifying authorization processes, clearly defining the fields of activity, and structuring administrative sanctions in a systematic manner. However, the impact of the new fee regime on market actors and its practical implementation should be closely monitored over time. In general, while the amendments strengthen the existing framework in terms of legal foreseeability and administrative oversight, additional administrative guidance or interpretative mechanisms may be needed in practice to address potential uncertainties.

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