



# **SCREENING CHAPTER 04 FREE MOVEMENT OF CAPITAL**

**Country Session: The Republic of TURKEY  
22 December 2005**



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### **AGENDA ITEM II: PAYMENT**

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## National Legislation

- **There is no legislation directly covering cross-border credit transfers, (31997L0005, 32001R2560).**
- **However, there are indirect provisions covering some of the issues mentioned in the directives.**
- **Legislation on the protection of the value of the Turkish Currency provides provisions regarding cross-border payments.**
- **Only banks are allowed for cross-border credit transfers**



## ➤ **Transparency On Credit Transfers**

✓ **Commission fees have to be visible publicly based on the standards set by Turkish Banking Association (16 March 1993) and according to the Consumer Protection Law (Article 12/2)**

✓ **Banks have their internal forms to be filled by their customers, which include information such as reference number, original amount, commission fees paid by originator.**

## ➤ **Cost Of Credit Transfers**

✓ **Banks may determine freely cost of credit transfers but cost of cross border transfer is higher than that of domestic transfers.**



- **Event Of Non-execution Transfers (Article-8)**
  - ✓ **No regulation (Law of Obligations will be applied).**
  
- **Settlement of Disputes**
  - ✓ **New Banking Law (effective dated 1 Nov 2005) requires the Turkish Banking Association to set up a system (a board of arbitrators) to solve disputes (Article 80/j)**
  - ✓ **Currently banks are responsible to solve the disputes and customers may also apply to BRSA for their complaints.**



## **Compliance with the 2560/2001**

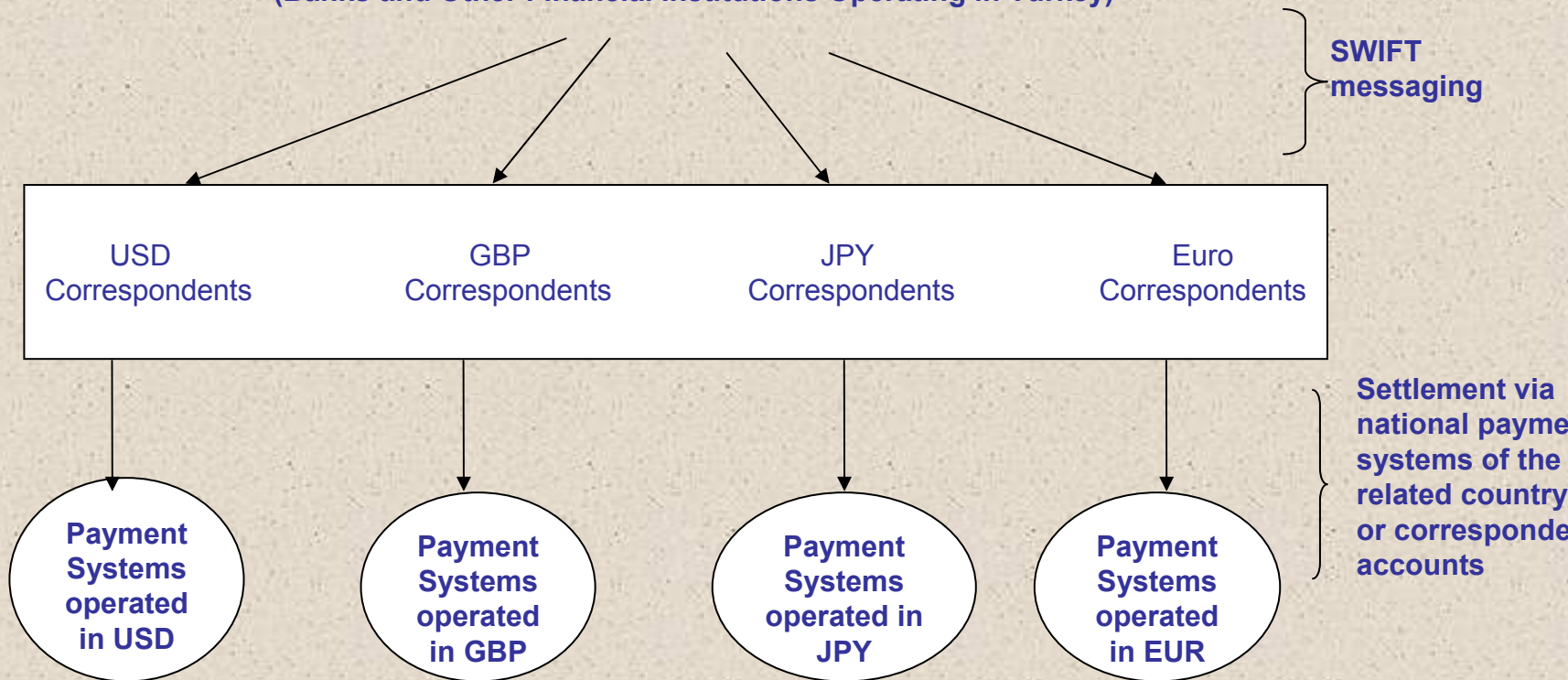
- According to national legislation, the euro is accepted as a foreign currency and subject to foreign exchange legislation. Euro transfers will continue to have the same statute with other foreign currencies during the pre-accession period.**
- Turkish banks have established their systems to adopt IBAN.**



## Framework of International Linking of Payment Systems (Funds Transfers via Correspondent Banking)



(Banks and Other Financial Institutions Operating in Turkey)





### Basic Transaction Stages in an International Payment Cycle via Correspondent Banks

