

MAY 2021

Turkey continues to incorporate crypto-assets into financial regulatory framework

The Regulation that amends the Regulation on Measures regarding the Prevention of Laundering Proceeds of Crime and Financing of Terrorism has been published in the Official Gazette (No. 31471) on May 1, 2021 and has entered into force on the same date.

Recently, the use of crypto-assets in payments has been banned in Turkey as of April 30, 2021, by the [Regulation](#) issued by the Central Bank of the Republic of Turkey. This regulation prevents certain activities conducted by electronic money institutions and defines the crypto-assets for the first time under Turkish Law. Moreover, a new financial institution called "[savings finance company](#)" which is subject to the supervision of the Banking Regulatory and Supervisory Authority has been introduced by a recent law.

The amendments have broadened the scope of the measures brought under the Regulation to include both crypto-asset service providers and savings finance companies. Therefore, these entities are subject to the supervision of the Financial Crimes Investigation Board ("FCIB") known as MASAK. The specified FCIB obligations consist of identification of the clients, reporting suspicious transactions, providing information and documents as well as preservation and submission of information and documents. The term "obliged parties" also includes the branches, agencies, representatives, commercial agents, and similar affiliated units of the aforementioned entities.

The term "crypto-asset service providers" has not yet been defined under Turkish Law. However, the Guidelines for Service Providers of Crypto-assets published by the FCIB on May 4, 2021, define crypto-asset service providers as organizations mediating the purchase and sale of these crypto-assets through electronic transaction platforms. In this sense, it appears that the Regulation targets crypto-assets exchange platforms.

Two separate regulations regarding crypto-assets have recently been adopted and it is understood that further regulations on crypto-assets are on the horizon.

CONTACT US

Polat İş Merkezi No: 29 Offices: 28 - 29
Mecidiyeköy, İstanbul, Turkey
+ 90 (212) 215 30 00
info@gurulkan.com
www.gurulkan.com