

# Turkey

## Overall findings

### Overall determination on the legal framework: In Place

Turkey's legal framework implementing the AEOI Standard is in place and is consistent with the requirements of the AEOI Terms of Reference. This includes Turkey's domestic legislative framework requiring Reporting Financial Institutions to conduct the due diligence and reporting procedures (CR1) and its international legal framework to exchange the information with all of Turkey's Interested Appropriate Partners (CR2).

The methodology used for the peer reviews and that therefore underpins this report is outlined in Chapter 2.

## Conclusions on the legal framework

### General context

Turkey commenced exchanges under the AEOI Standard in 2018.

In order to provide for Reporting Financial Institutions to collect and report the information to be exchanged, Turkey:

- relies on Articles 148, 149 and 152/A of the Tax Procedure Law;
- issued the Official letter from the Turkish Revenue Administration dated 30/06/2017 and its attachment "Guidance on Residency and Due Diligence", that was amended in April 2020; and
- made reference to the Regulation on Prevention Measures Regarding Laundering Proceeds of Crime and Financing of Terrorism (reviewed for the definition of beneficial owner) implementing the FATF Recommendations for the purposes of the identification of Controlling Persons under the AEOI Standard.

Under this framework Reporting Financial Institutions were required to commence the due diligence procedures in relation to New Accounts from 1 July 2017. With respect to Preexisting Accounts, Reporting Financial Institutions were required to complete the due diligence procedures on High Value Individual Accounts by 30 June 2018 and on Lower Value Individual Accounts and Entity Accounts by 30 June 2019.

Following the initial Global Forum peer review, Turkey amended its legislative framework to address issues identified, effective from 1 April 2020.

With respect to the exchange of information under the AEOI Standard, Turkey:

- put in place two bilateral agreements in time for exchanges from 2018<sup>1</sup>; and
- is a Party to the Convention on Mutual Administrative Assistance in Tax Matters and activated the associated CRS Multilateral Competent Authority Agreement in time for exchanges in 2020.

### Detailed findings

The detailed findings for Turkey are below, organised per Core Requirement (CR) and sub-requirement (SR), as extracted from the AEOI Terms of Reference ([www.oecd.org/tax/transparency/documents/aeoi-terms-of-reference.pdf](http://www.oecd.org/tax/transparency/documents/aeoi-terms-of-reference.pdf)).

***CR1 Domestic legal framework: Jurisdictions should have a domestic legislative framework in place that requires all Reporting Financial Institutions to conduct the due diligence and reporting procedures in the CRS, and that provides for the effective implementation of the CRS as set out therein.***

<b>Determination: In Place</b>
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Turkey's domestic legislative framework is in place and contains all of the key aspects of the CRS and its Commentary requiring Reporting Financial Institutions to conduct the due diligence and reporting procedures (SRs 1.1 – 1.3). It also provides for a framework to enforce the requirements (SR 1.4).

**SR 1.1** Jurisdictions should define the scope of Reporting Financial Institutions consistently with the CRS.

Turkey has defined the scope of Reporting Financial Institutions in its domestic legislative framework in accordance with the CRS and its Commentary.

**Recommendations:**

No recommendations made.

**SR 1.2** Jurisdictions should define the scope of Financial Accounts and Reportable Accounts consistently with the CRS and incorporate the due diligence procedures to identify them.

Turkey has defined the scope of the Financial Accounts that are required to be reported in its domestic legislative framework and incorporated the due diligence procedures that must be applied to identify them in accordance with the CRS and its Commentary.

**Recommendations:**

No recommendations made.

**SR 1.3** Jurisdictions should incorporate the reporting requirements contained in Section I of the CRS into their domestic legislative framework.

Turkey has incorporated the reporting requirements in its domestic legislative framework in accordance with the CRS and its Commentary.

**Recommendations:**

No recommendations made.

**SR 1.4** Jurisdictions should have a legislative framework in place that allows for the enforcement of the requirements of the CRS in practice.

Turkey has a legislative framework in place to enforce the requirements in accordance with the CRS and its Commentary.

**Recommendations:**

No recommendations made.

***CR2 International legal framework: Jurisdictions should have exchange relationships in effect with all Interested Appropriate Partners as committed to and that provide for the exchange of information in accordance with the Model CAA.***

<b>Determination: In Place</b>
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Turkey's international legal framework to exchange the information is in place, is consistent with the Model CAA and its Commentary and provides for exchange with all of Turkey's Interested Appropriate Partners

(i.e. all jurisdictions that are interested in receiving information from Turkey and that meet the required standard in relation to confidentiality and data safeguards). (SRs 2.1 – 2.3)

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**SR 2.1** Jurisdictions should have exchange agreements in effect with all Interested Appropriate Partners that permit the automatic exchange of CRS information.

Turkey has exchange agreements that permit the automatic exchange of CRS information in effect with all its Interested Appropriate Partners.

**Recommendations:**

No recommendations made.

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**SR 2.2** Such an exchange agreement should be put in place without undue delay, following the receipt of an expression of interest from an Interested Appropriate Partner.

Turkey put in place its exchange agreements without undue delay.

**Recommendations:**

No recommendations made.

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**SR 2.3** Jurisdictions should ensure that the exchange agreements in effect provide for the exchange of information in accordance with the requirements of the Model CAA.

Turkey's exchange agreements provide for the exchange of information in accordance with the requirements of the Model CAA.

**Recommendations:**

No recommendations made.

## Comments by the assessed jurisdiction

No comments made.

## Note

<sup>1</sup> With Latvia and Norway. Turkey has also activated relationships under the CRS MCAA with both jurisdictions.



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