

Client Alert

Turkey | April 2021

Regulation on Use of Crypto Assets in Payments

Today, Turkey's first ever regulation regarding use of crypto assets in payments (the "**Regulation**") is published by the Central Bank of the Republic of Turkey, and will enter into force on 30 April 2021. The Regulation defines crypto assets as intangible assets that are created virtually by using the distributed ledger technology or a similar technology, distributed through digital networks, and not classified as fiat money, bank money, electronic money, payment instrument, security or capital market instrument.

According to the Regulation, crypto assets cannot be used in payments either directly or indirectly, and services for these assets' direct or indirect use in payments, cannot be provided.

The Regulation further stipulates that, payment service providers cannot develop business models involving crypto assets' direct or indirect use for the provision of payment services and for issuance of electronic money, and cannot provide any services related to such business models. Payment and electronic money institutions will not act as an intermediary for the platforms providing services of crypto asset trading, storage, transfer, issuance, or for the fund transfers to be made from these platforms.

Detailed regulations are expected to be published in the near future.

Please contact us for any questions regarding this matter.