

**CIRCULAR**  
**Issue: 2020/036eng.**

**Istanbul, 14.01.2020**  
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**Subject:**

**PRESIDENTIAL RESOLUTION ON APPROVAL OF THE MULTILATERAL  
COMPETENT AUTHORITY AGREEMENTS ON THE AUTOMATIC EXCHANGE  
OF FINANCIAL ACCOUNT INFORMATION WITH ATTACHED DECLARATION**

Presidential Resolution no. 1965 titled “On the approval of Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information” and signed in Paris in 21.04.2017 has been published in the Official Gazette dated 31.12.2019 and numbered 30995 (5<sup>th</sup> Draft).

With the statement in question, Turkey’s competent authority will be accepted as one of the signatories of the agreement as of 21.04.2017, and the agreement will come into force for Republic of Turkey’s competent authority as per the article 7 of the agreement.

With the attached statement, the competent authorities have reached an agreement on the issues specified in the items below.

Article 1- Definitions

Article 2- Information Exchange Regarding Reportable Accounts

Article 3- Time and Method of Information Exchange

Article 4- Cooperation and Sanctions Regarding Compliance

Article 5- Privacy and Data Protection Measures

Article 6- Consultation and Amendments

Article 7- Duration of the Agreement

Article 8- Cooperation Body Secretariat

Annex A: List of Countries with No Reciprocity

Annex B: Transfer Methods

Annex C: Designated Data Protection Measures

Annex D: Privacy Survey

Annex E: Competent Authorities Where This Agreement Is Applied

Annex F: Scheduled Information Exchange Dates

In the article 1, definitions and meanings of the terms “country”, “competent authority”, “country financial institution”, “notifying financial institution”, “reportable account”, “mutual notification standard”, “coordination body secretariat” and “agreement in practice” are provided.

In the article 2, each competent authority is explained that the information regarding them will be subject to “automatic exchange” on annual basis, as per the articles 6 and 22 of the Agreement on Reciprocal Administrative Assistance on Tax Matters.

a) The name, address, Tax ID No, place of birth and date of birth (regarding the natural persons) of every Reportable Person bearing the Account Holder title on the account; if the account holder is a corporation and if it has been determined that there is at least one Controlling Person as a Reportable Person subsequent to the assessment methods in compliance with the Mutual Notification Standard; the name/title, address, Tax ID no of the Institution and the name, address, Tax ID No, place of birth and date of birth of each Reportable Person,

b) Account no (or if there is no account number, functional equivalent of the number),

c) Title and, if any, ID No of the Notifying Financial Institution

d) Account balance or account value as of the end of the calendar year or other applicable notification period (Cash Value or surrender amount in the case of Money Insurance Agreement or Annuity Agreement), the account closure date if the account is closed in the year or the term in question,

e) In terms of Custodian Account:

(1) The gross amount of the interest earned through all assets held in the account and paid to account in every instance or (depending on the account) recorded as receivable amount in the account throughout the calendar year or other applicable notification period, the total gross amount of dividends and total gross amount of other incomes, and (2) Regarding the account for which the Notifying Financial Institution acts as a custodian, broker, representative, or an agent in other ways; the total gross revenue paid to or recorded as receivable to the account, earned through sales or amortization of financial assets throughout the calendar year or other applicable notification period,

f) In terms of Deposit account, the total gross amount of interest paid to or recorded as receivable to the account throughout the calendar year or other applicable notification period,

g) In terms of any account that is not specified in the clause 2(e) or (f), regarding the account of the Account Holder for whom the Notifying Financial Institution is liable or debtor, the total gross amount paid to or recorded as receivable to the Account Owner throughout the calendar year or other applicable notification period, including the total amount of the amortization payments made to the Account Owner throughout the calendar year or other applicable notification period,

Referring to the paragraph 2 of the article 2, and adhering to the notification methods determined in the same article including the dates in the article 7; starting from the years specified in the ANNEX F, the **information** will be subject to exchange **within nine months following the end of the calendar year to which the information belongs.**

Information exchange dates are as follows as per the annex (F) of the agreement, “Scheduled Information Exchange Dates”:

Accounts	Projected Definition	The date when the information is scheduled to be changed		
New accounts	Financial accounts held by the notifying company and opened on July 1, 2017 or after this date	September 2018		
		High-value individual accounts	Low-value individual accounts	Institution accounts
Existing accounts	Financial accounts that are being kept by the notifying financial institution as of June 30, 2017	September 2018	September 2018 or September 2019, based on the date it was identified as a reportable account	September 2018 or September 2019, based on the date it was identified as a reportable account

In the article 7, a Competent Authority will make a notification to the Cooperation Body Secretariat on the signature date of the Agreement in question or as soon as possible subsequent to bringing the required legislation for implementing the Mutual Notification Standard in its country into force. The notification shall:

- a) State that the required legislation for the implementation of Mutual Notification Standard is in force in its country, and specify the implementation dates regarding the execution or completion of notification or assessment methods for the Existing Accounts and New Accounts.
- b) Confirm whether its country will be in the Annex A list or not.
- c) Specify one or more methods for data transfer, including encryption (Annex B).

d) (if any) Specify the protection measures for the protection of personal data (Annex C).

e) Indicate that sufficient precautions are present to ensure the implementation of the required privacy and data protection measures, and include a questionnaire of the filled out privacy and protection measures to be included in Annex D.

f) (if any) Following the processes in the domestic legislation, include a list of the Countries of Competent Authorities with which the Country will implement this Agreement.

The agreement will enter into force between two Competent Authorities at the latter of the dates specified below:

(i) On the date when the latter of the Competent Authorities makes notification to the Coordination Body Secretariat within the scope of section I of the article no. 7 by specifying the Country of the other Competent Authority in line with the clause 7/1-(f) of the Agreement, or when required, depending on the circumstances,

(ii) on the date when the Agreement comes into force and is put into practice in both countries.

Yours respectfully,

**DENGE İSTANBUL YEMİNLİ  
MALİ MÜŞAVİRLİK A.Ş.**

**ANNEX:**

- Presidential Resolution No. 1965
- Agreement on Reciprocal Administrative Assistance on Tax Matters

(\*) Explanations provided in our circular are only for informative purposes. We recommend taking an expert consultant's opinion and assistance before taking a final transaction with respect to the subjects of hesitation. Our consultancy agency shall bear no responsibility regarding any loss or losses stemming from any action taken by only taking the explanations provided in our circular herein as basis.

(\*\*) With respect to your opinions, critiques and questions regarding our circulars, you can write to our experts whose information are provided below.

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