

NEWSLETTER

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Dutch
BUSINESS ASSOCIATION
Turkey

Welcome, Welkom, Hosgeldiniz

Dear Dutch Business Association Members,

We are proud to present you our first Newsletter. Reaching the end of the year, a lot has taken place that provides us a positive outlook going forward.

The diplomatic relations between the Netherlands and Turkey have been restored, the new Turkish Ambassador has been appointed in The Hague, His Excellency Saban Disli and most importantly we have our Dutch Ambassador appointed in Ankara Ms. Marjenne de Kwaasteniet, the first female Ambassador in the 406 years of diplomatic relationship between the two countries. We had the honour of meeting her last month.

Over the past months we have had some very interesting events; in September we had the Business Networking Cocktail, during which we also hosted the Dutch Logistics Delegation and towards the end of October we had the event entitled “The future of Digital Banking” with our guest speaker Ali Fuat Erbil CEO of Garanti Bankası. Going forward we have our famous football tournament, you can read all the details in the next edition. Enjoy reading our newsletter! Kind regards,

Berc Germeyan IŞIK,
Chairman of the Dutch Business Association



Regulatory update

Recently Enacted Government Decrees and Legislation:

Re-Denomination of Foreign Currency Agreements in Turkish Lira

On 13 September 2018, a decree has been issued on amendment on the Decree No. 32 on the Protection of the Value of the Turkish Currency which provides that contract prices or other payment obligations specified in certain types of agreements executed between real or legal entities residing in Turkey must be denominated in Turkish Lira. Therefore, as of 13 September 2018, it will no longer be possible for prices in such agreements to be determined in foreign currency or indexed to foreign currency. The objective of the decree is to avoid further inflation.

The agreements falling under this restriction are as follows:

- Sale and purchase of real estate
- Sale and purchase of movable properties
- Leasing of real estate and movable properties, including financial leasing and leasing of vehicles (cars and other vehicles)
- Employment agreements, service agreements and independent constructor agreements (work contracts).

While all new agreements to be executed following the enforcement date of the decree, i.e. 13 September 2018, will need to be determined in Turkish Lira, a 30 day-period has been granted to bring existing agreements in compliance with the new rules. Last Friday, 16 November, the decree was amended to state that lease and purchase agreements that were nominated in foreign currency can stay as foreign currency.

Temporary Obligations on Export Proceeds in Turkey

On 4 September 2018, The Ministry of Treasury and Finance has enacted a new Communiqué on the Protection of the Value of Turkish Currency concerning the activities of exporters in Turkey. Under the new regulation, the proceeds arising from the export activities facilitated by the residents in Turkey must be either transferred directly and immediately to the bank that mediates the export transaction or directly brought into country. The objective hereof is to avoid funds from being transferred abroad and not returning to Turkey.

The duration for export proceeds to be brought into country should not exceed 180 days after actual export date. It is also compulsory to convert at least 80% of the aforementioned export proceeds into Turkish Lira by transferring respected proceeds to a Turkish bank. The communiqué will be valid as of 4 September 2018 to the following 6 months and constitutes a temporary regulation. The analysis hereof on our business is continuing.

Amendment to Regulation on Commercial Advertisements and Unfair Commercial Practices

A new article addressing the current currency fluctuations on consumer sales prices is introduced to the "Misleading Commercial Practices" section of the Regulation on Commercial Advertisement and Unfair Commercial Practices' Annex titled "Examples of Unfair Practices".

The article, added to "Misleading Commercial Practices" section of the Annex reads:

"To increase the sale price of a good or service offered to the consumer without a valid reason and indicating that the sale price increase is a result of changes such as input cost and the exchange rate, even though the sale price is unaffected by these changes [is a misleading commercial practice]." The objective of this amendment is to avoid that legal entities abuse the current situation of the FX and impose a price increase, whereas there may not be impacted of the FX rate. Hence generating a profit for themselves at the expense of the consumer.

Past events

Business Networking Cocktail, 19 September 2018

Within the scope of the visit of the Dutch Logistics Delegation on 19 September, the Dutch Business Association organised a seminar titled "Netherlands, The Gateway To Europe and Innovative Logistics Solutions" for Dutch (related) companies with a business networking cocktail right after at the Consulate General of the Kingdom of the Netherlands.



Minister of Foreign Affairs of the Kingdom of the Netherlands Stef Blok Visit



Stef Blok, Minister of Foreign Affairs of the Netherlands paid a visit to Turkey on 3-4 October 2018. During the visit, the Turkish-Dutch bilateral relations, current regional and international issues were on the agenda of the meetings. Foreign Minister Mevlüt Çavuşoğlu and his Dutch counterpart attended the TRT World Forum in Istanbul on 4 October. The Minister and the new Dutch Ambassador to Turkey, Marjanne de Kwaasteniet have visited the Dutch Consulate General in Istanbul.

Welcoming New Dutch Ambassador Ms. Marjenne de Kwaasteniet, 9 October 2018

The Netherlands appointed Marjenne de Kwaasteniet as the Ambassador to Turkey on 7 September 2018. Kwaasteniet was serving as the Netherlands' Permanent Representative to NATO. We welcomed our new Dutch Ambassador at the Consulate General of the Kingdom of the Netherlands in Istanbul on 9 October 2018.



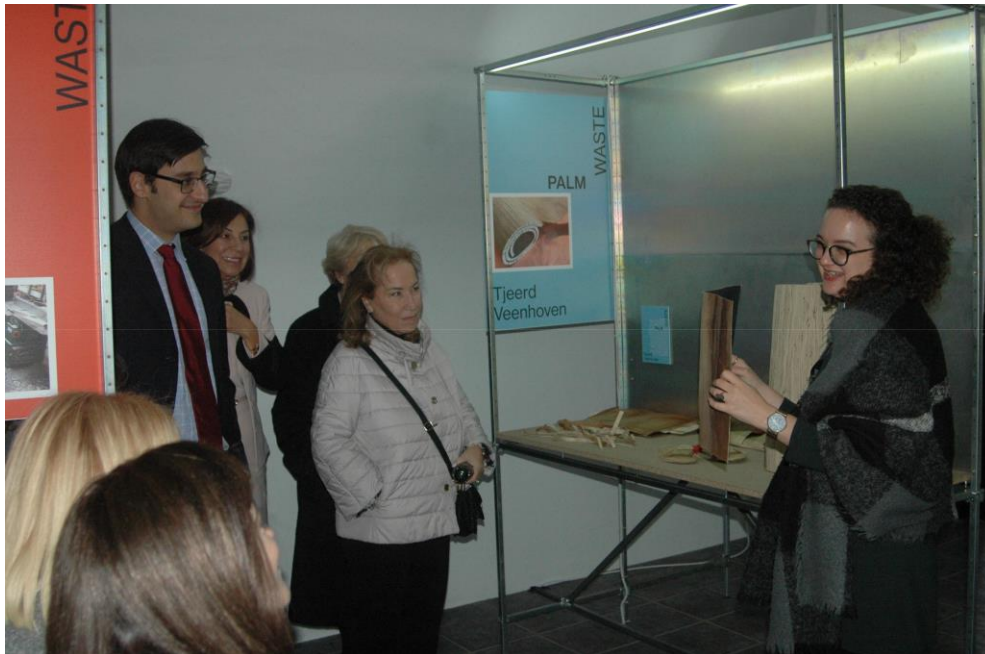
The Future of Digital Banking, 22 October 2018

Dutch Business Association organised a seminar "The Future of Digital Banking" on 22 October 2018 with guest speaker Ali Fuat Erbil - CEO of Garanti Bank. The seminar was sponsored by The Honorary Consul General of Turkey in the Netherlands Mr. Joost Peters and Garanti International which is the main distribution partner of Eureka Sigorta / Achmea. The presentation topics were in order; digitalisation at traditional retail banking business model, new trends at banking for more interaction and digital revolution for the development of mobile apps, electronic bill payment and online products. The seminar continued with a business networking cocktail at Palais de Hollande.



Guided tour Waste Exhibition and Dutch Design, 14 November 2018

On the 14th of November, the Dutch Business Organisation organised two guided tours hosted by the Dutch Consulate General showing our members the Dutch design and Waste exhibition which were part of the 4th Istanbul Design Biennial. The tours highlighted Dutch designers and the possibilities to transform waste into art using innovative techniques.



Future Events

DBA Football Cup 2018

Since 2014, DBA has been organising annual sports every year. This year on Sunday 25 November, DBA sponsored by ING BANK will be happy to see you and your company for the annual sports event. The tournament will be host at İski Halı Sahaları, Kağıthane. We would like to invite you to share the spirit of the sport and games with other DBA member companies.

Cultural update

15 April - 30 December: The Village Istanbul

22 November - 26 November: SineDansAnkara 2018

20 November: Finissage Co-Design program with Wilco van Herpen in Istanbul

24 November: Concert Altın Gün at Salon IKS V Istanbul

28 November - 29 November: Nederlands Dans Theater I in Istanbul

28 November - 29 November: Jazz @ Museum in Ankara and Gaziantep

30 November - 13 December: Festival on Wheels – Ankara, Sinop, Kastamonu

22 November - 24 November: Forgetting the Archive-symposium –

Istanbul October through December 2018 "For the Love of Bee!"

5 December: Karsu Plays Atlantic Records in Istanbul

View of Ankara: two more years at the Rahmi M. Koç Museum in Ankara

Source: The Dutch Consulate General

Did you know?

! 34-year-old lawyer and diplomat Cornelis Haga was the first Dutch ambassador to Turkey

! He arrived in Constantinople, the present-day Istanbul, on March 16, 1612, with three merchant's sons, eight servants and a chef

! The journey by carriage was long and dangerous and took months

! After a month he received a trade agreement from Sultan Ahmed, the Sultan who had the Blue Mosque built

! Cornelis Haga ordered a large number of business gifts sent to him from the Netherlands

! This was the beginning of a prosperous relationship between the Netherlands and Turkey that has lasted over 406 years

Source: Marc Guillet, Newsletter HCG Turkey

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