

Anti-Corruption Summit - London 2016

Country Statement of the Republic of Turkey

General Overview

Turkey attaches significant importance to fighting against the phenomenon of corruption, which has become an important problem across the world. Owing to our determination, we actively participate in the activities of international organizations such as the United Nations, OECD, Council of Europe and G20, which feature particularly dynamic and mutual evaluation processes and set out the criteria for combating corruption.

It is evident from both our existing government programme and the recent enactments that we have zero tolerance towards corruption. The Prime Ministry's Circular dated 30 April 2016 and titled Increasing Transparency and Enhancing the Fight Against Corruption has been the most recent development on this subject. By the Circular in question, a risk analysis has been made and steps required to be taken by our Country in the field of fighting against corruption and the action plan have become clear. Under the leadership of a Deputy Prime Minister, a Commission, comprising of the Ministers of Justice, Labor and Social Security, Customs and Trade and Finance, has been tasked with the duty of approving the action plans prepared within this scope, sharing them with the public when necessary and realizing their implementation and ensuring effectiveness and coordination in achieving the aims specified in the action plan. Also a Board, comprising of high level public officials, has been assigned with the duty of enforcing decisions rendered by the Commission and carrying out works relating to action plan and supervising the implementations. In addition, a Monitoring Group, including representatives from the public sector as well as the civil society, has been established with the aim of supervising the implementation of the Action Plan by a monitoring mechanism.

As for London Anti-Corruption Summit of 12 May 2016, it is warmly welcome and Turkey interprets all the assessments and commitments stated in the *Communiqué* within the meaning and framework of principles and recommendations of international organizations to which the Republic of Turkey has been a party.

1. Exposing Corruption

Turkish legislation requires companies to report their all legal ownership information to a central registry (called MERSIS) in the formation of company, amendment in contracts and transfer of shares. As for the bearer shares, this registry requirement is only for the formation of company and amendment in contracts not for the transfer of the shares. This register is publicly available.

Turkey has effective mechanisms ensuring information about company transparency by financial and commercial measures and is taking actions for strengthening the mechanism by improving the effectiveness of information sharing system by central registry amongst local competent authorities. Also, we have a strong financial mechanism in place preventing the misuse of bearer shares and bearer share warrants.

Turkey set for the definition of beneficial owner and measures for identification of beneficial ownership in terms of customer due diligence measures in 2008 and amended its regulations in line with FATF standards in 2014.

Turkey has begun its national risk assessment (NRA) of money laundering and terrorist financing associated with different types of legal persons and arrangements in full commitment and participation of supervisory and regulatory authorities, law enforcement units since 2014.

Being a Country which is a party to the FATF standards on beneficial ownership and high level principles of G20, Turkey welcomes these arrangements. Within the framework of FATF standards, Turkey, by using options which are most suited to the countries or combination thereof, and within the boundaries of its domestic law and infrastructure, has agreed to ensure that sufficient, correct and updated information on beneficial ownership and control of legal persons is made available and accessible to the authorized bodies.

Turkey is of the same opinion that speedy, constructive and effective international cooperation should be ensured concerning beneficial ownership information according to the fundamentals of FATF standards number 37 and 40. Turkey considers that when exchanging information concerning shareholders and beneficial ownership, countries need to exercise authority in compliance with their domestic law in order to acquire information on behalf of their foreign counterparts.

On the other hand, Turkey has taken important steps to ensure transparency in public procurement by the Public Procurement Reform in 2003. The process concerning public procurement is carried out within maximum transparency. Announcements for tender, tender process and all information and documents concerning tenders are shared with the public on the official website without any restriction. On the other hand, a gap analysis has been made with a view to complying with the international standards and it has been stated by the Circular dated 30 April 2016 that Public Procurement Law be reviewed.

Turkey will start to implement the principle of automatic exchange of financial accountability information in international organizations such as G20, Global Forum on Transparency and Exchange of Information for Tax and OECD in 2018.

2. Punishing corruption and supporting those who have suffered from it

In 2002, Turkey, with a view to enhancing transparency in the public procurement system, using resources in a more effective and productive manner and rendering more public services by using less resource, established the Public Procurement Authority, which is to cover all institutions using public resources, and to ensure openness and competitiveness in tenders, and to review complaints.

By the amendment to the Public Procurement Law in 2008, Turkey has banned all those who were convicted of bribing a foreign public official in their country or in another country from participating in public procurement.

In 2003, Turkey, taking account of the fact that everyone has the right to information, adopted the Law on the Right to Information with a view to submitting to the use of applicants any kind of information and documents belonging to public institutions and organizations and public professional organizations, saving for the exceptions stipulated in the law, and ensuring that they take the necessary administrative and technical measures in order for the applications to obtain information to be addressed in an efficient, speedy and correct manner and also ensuring that media organs and individuals have easier access to publicly-owned information.

In 2003, Turkey adopted the Law on Financial Management and Control in order to enable flexibility in expenditure units, to include public income and expenditures in the budget, to establish internal control and audit mechanisms compatible with international standards and to prepare reliable and periodical financial data in terms of financial transparency.

The Ethics Committee for Public Officers was established in order to determine standards and principles of ethical behaviors such as transparency, impartiality, honesty, accountability, protection of public interest which public officers must obey; to examine complaints about senior public officers behaving against these principles; and to share results with the public.

By taking international regulations into attention besides national requirements, Turkey accepted the Law regarding the Prevention of Laundering of Crime Revenues in 2006 and the Anti-Smuggling Law in 2007 in order to strengthen the cooperation with financial sector while fighting against the crime, to create a strong data system, to find offences and offenders based on these financial data and to enable compatibility with international developments and efficiency while following the compatibility with these obligations.

Turkey amended the Law of Misdemeanor in 2009 and adopted a provision as follows: "In cases that the body or the representative of a legal entity or, not being any of them, a person who undertakes a task within the scope of the legal entity's activity commits the crimes of corruption in favor of the legal entity, an administrative fine shall also be imposed on that legal entity."

Turkey amended the provisions related with corruption in Turkish Penal Code in 2012 and, made them compatible with international standards.

Turkey adopted the Law on International Judicial Cooperation in Criminal Matters in 2016. Thanks to this law, in fighting against corruption besides other offences, the procedures and principles of international legal assistance gained a legal framework.

Turkey supports rules and recommendations of all international organizations, of which Turkey is a member, especially United Nations, FATF, GRECO and OECD, on the punishment of corruption.

Turkey includes legal amendments, related with the protection of persons denouncing corruption events in public institutions, private sector and non-governmental organizations to competent authorities, on its agenda.

3. Eliminating the culture of corruption wherever it exists

In order to increase awareness of public officers related with corruption, Turkey supports the implementation of training programs and international cooperation for this purpose.

Under the guidance of The Ethics Committee for Public Officers, Turkey makes efforts to determine ethical principles for each profession and to prevent conflicts of interests in public administration.

Turkey takes steps to include principles of ethical behavior in school curriculum more than ever.

Turkey increases its support to civil society activities including the theme of decent society and fight against corruption.

Turkey continues to make efforts to determine and apply professional codes of conduct for the members of judicial organs.