

Turkey ratifies the Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism

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On February 18th, 2016 Turkey finally ratified the Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism Agreement (“Convention”), almost 10 years after its signature of the Convention on March 2007. So far the ratification of the Convention is the latest step taken among Turkey’s efforts to adapt its domestic legislation to the international anti-money laundering system. Turkey’s such efforts had started in 2012, when the Financial Action Taskforce (“FATF”) had gray listed Turkey due to its lack of compliance with international standards. Since then, Turkey has taken a plethora of legislative steps and on October 2014 FATF declared that Turkey would no longer be subject to the monitoring process. However, Turkey’s non-ratification of the Convention had still remained an element of criticism.

The Convention which entered into force on May 2008, remains the first international convention to regulate both anti-money laundering and financing of terrorism and therefore, is the first international instrument to provide a holistic approach to combatting the both. The Convention recognizes that swift access to the relevant financial information would be the key in preventing money laundering and financing of terrorism. To that end, the Convention provides for an international judicial system of cooperation, establishment of intelligence units and the obligation to assist the authorities in need.

According to the Convention, the states parties are obliged to establish financial intelligence units (“FIU”) which exchange, spontaneously or on request, any accessible information that may be relevant to the processing or analysis of information. The states parties are obliged to ensure that FIUs’ status under domestic legislation (either administrative, law enforcement or judicial authority) does not affect the discharge of their function. Turkey has appointed the Financial Crime Investigation Board as its FIU, to deal with asset freezing requests made by foreign countries and requests made by Turkey to other countries.

In line with Turkey’s efforts to comply with FATF recommendations, Article 13 of the Convention provides that states parties shall consider applicable international standards and FATF recommendations of while taking necessary measures to prevent money laundering.

In addition to the above, the requirements set by the Convention are not just met through the establishment of an asset freeze and international cooperation system. According to Article 8 of the Convention, states parties shall also ensure that the affected parties shall have effective legal remedies, in order to preserve their rights in the face of such extreme measures.

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