

## Client Alert

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### **Travel rule in crypto assets has entered into force.**

As of 25 February 2025, the travel rules, which was introduced pursuant to the legislation published on 25 December 2024, has entered into force. The travel rules introduced significant changes for the Crypto Asset Service Providers (the "**CASPs**"). Accordingly, the CASPs in Türkiye were granted the status of financial institutions and became subjects to the obligation to collect and transmit information for the crypto asset transfers they intermediate in accordance with the provisions of the Regulation on Measures to Prevent Laundering of Crime Revenues and Terrorism Financing.

The travel rule is an international regulation that mandates the secure and simultaneous transmission of certain customer information between transaction parties during financial transactions, making it a fundamental requirement to ensure communication between the sender and receiver CASPs and to record the specified transaction details.

In respect to the above, the Regulation on Measures to Prevent Laundering of Crime Revenues and Terrorism Financing mainly includes the following provisions:

- As of 25 February 2025, the CASPs will cease to benefit from simplified measures under the identification obligations and will apply the relevant provisions on remote identification obligations. This information must be securely maintained at every stage of the transaction process and transferred between all service providers. In addition, transactions with incomplete information will be rejected or returned.
- In crypto asset transfers of TRY 15,000 and above for the CASPs, various information (name - surname, trade name, tax identification number, etc.) of the senders and recipients and senders must be received and shared.
- The CASPs are obliged to request recipient and sender information for transfers to wallets that are not registered with any CASPs. In such transfers, it will be ensured to obtain more information on the source and destination of the assets sent within the framework of the risk-based approach and such transfers will be blocked in case of any suspicious situation.

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- Various sanctions will be imposed by the Financial Crimes Investigation Board and the relevant regulatory authorities in case of non-compliance with the travel rule obligations. In this context, measures such as administrative fines, restriction or suspension of activities and cancellation of licences are stipulated.

With these provisions, stricter supervision mechanisms have been established for crypto asset service providers in Türkiye, increasing the transparency and the traceability in crypto asset transfers. Strengthening the identification processes, requiring detailed information for transfers over a certain amount, and introducing additional controls for unregistered wallets are among the important steps to prevent laundering of crime revenues and terrorism financing. The compliance of CASPs with these new obligations will increase the reliability within the sector and support the harmonisation of the regulatory framework with the international standards.

Please contact us if you need further information on this matter.