

Legal Landscape of FinTech in Türkiye

Trends and Transformations
in 2024

Didem Adlıđ Sönmez
İdil Yıldırım Günaydın
İlayda Salkım
Mert Kaan Gümüş
Melis Ünlü

Overview

In 2024, Türkiye's fintech ecosystem witnessed notable advancements, marked by key regulatory developments and emerging innovative trends. A pivotal milestone was the enactment of the crypto assets legislation^[1] through amendments to the Capital Markets Law No.6362 (CML), which introduced a regulatory framework for crypto assets, addressing issues related to service providers, crypto asset platforms, custody services, investor protection, and compliance standards. Furthermore, Türkiye's financial landscape was bolstered by its removal from the grey list for anti-money laundering (AML) and counter-financing of terrorism (CFT) measures, enhancing the country's global competitiveness.

Cooperation efforts and international representation in the fintech sector gained momentum in 2024. The Turkic States Fintech Cooperation Platform, led by the Payment and Electronic Money Institutions Association of Türkiye (TÖDEB) and the Presidential Finance Office, was launched in Istanbul with fintech association representatives from Azerbaijan, Kazakhstan, Kyrgyzstan, and Uzbekistan. Turkish financial institutions showcased a strong presence at prestigious fintech fairs, particularly through the participation of the Turkish fintech pavilion established by members of TÖDEB at Money 20/20 Europe.^[2]

Türkiye demonstrated a significant appetite for banking services, with a total of 129.4 million credit cards^[3], 1.74 million POS devices^[4] and 54,475 ATMs^[5]. The Finance Office of the Presidency of the Republic of Türkiye released its statistics highlighting the growth of the country's fintech sector. By December 2024, \$194 million had been invested in 29 fintech companies. Türkiye's fintech ecosystem is now home to 731 active companies out of a total of 901 fintech firms, driving advancements in payments, banking technologies, blockchain, and crypto assets.^[6]

Key areas in Türkiye's fintech landscape in 2024 include digital payments, e-commerce, crowdfunding, open banking, artificial intelligence, and sustainability. As the country continues to grow its digital infrastructure, trends like embedded finance, digital identity solutions, and physical payments are reshaping the way consumers interact with financial systems. In particular, innovations such as the Digital Turkish Lira and the Easy Addressing System (KOLAS) are expected to drive further growth, positioning Türkiye as a key player in the evolving fintech space. With an increasing focus on sustainability and green fintech, Türkiye is aligning its financial markets with international standards, reinforcing its standing as a leader in the global fintech sector.

-
1. The Law Amending the Capital Markets Law No.6362 came into force upon its publication in the Official Gazette dated 02.07.2024 and numbered 32590.
 2. "[Avrupa'da Türk fintekleri gövde gösterisi yaptı](#)", TÖDEB Gündem, Vol.1, July 2024, p.40-45, Accessed on 12.12.2024).
 3. [Interbank Card Center \(BKM\) statistics](#) (Accessed on 24.01.2025).
 4. [Interbank Card Center \(BKM\) statistics](#) (Accessed on 24.01.2025).
 5. [Interbank Card Center \(BKM\) statistics](#) (Accessed on 24.01.2025).
 6. "[Türkiye Fintech Snapshot - December 2024 prepared under the coordination of Finance Office of the Presidency of the Republic of Türkiye has been published](#)" (Accessed on 24.01.2025).

Significant Legislative Changes in 2024

Important Legislative Amendments	
General Communiqué on Tax Procedural Law No. 562	<p>With the General Communiqué on Tax Procedural Law No. 562 published in the Official Gazette dated 12.06.2024 and numbered 32574, savings finance companies subject to Law No. 6361 and payment and electronic money institutions subject to Law No. 6493 are granted the right to issue a receipt instead of an invoice for transactions subject to BITT (Banking and Insurance Transactions Tax). In addition, payment and electronic money institutions have been given the option to issue an account statement instead of a receipt in certain accounting periods according to their activities.</p>
Law No. 7518 Amending the Capital Markets Law (Crypto Assets Law)	<p>The Law Amending the Capital Markets Law No. 6362 entered into force through publication in the Official Gazette dated 02.07.2024 and numbered 32590.</p> <p>The Draft Crypto Assets Law introduces key regulatory changes to the Capital Markets Law (CML), adding definitions for “wallet”, “crypto asset”, and related services to establish a clear framework. The Capital Markets Board (CMB) is tasked with overseeing the establishment, operations, and activities of crypto asset service providers, requiring compliance with TÜBİTAK’s technical standards. Share transfers and the issuance of capital market instruments as crypto assets will also require CMB authorization. Platforms operating abroad are prohibited from offering services to Turkish residents without authorization, and violations are subject to fines and imprisonment.</p> <p>The law strengthens protections for customer assets, shielding them from seizure, pledging, or inclusion in bankruptcy estates. Crypto asset service providers must comply with AML/CFT regulations, prevent and report market abuse, and maintain secure operations. They are liable for damages caused by unlawful activities or system failures, with executives personally accountable where applicable. Contracts with customers can be executed remotely but must adhere to CMB principles, and transactions are subject to both CMB and MASAK regulations, ensuring a robust and secure regulatory environment.</p>

Important Legislative Amendments

<p>CMB's Announcement regarding the Crypto Assets Law dated 02.07.2024</p>	<p>The announcement concerns the transition phase for different actors based on the Crypto Assets Law.</p> <p>Accordingly, institutions currently operating as crypto asset service providers must either submit declarations and required documents to the CMB by 02.08.2024 to continue their activities or declare by 02.10.2024 their intent to liquidate, cease accepting new customers during liquidation, and complete the process. The CMB will publish separate lists of operating institutions and liquidation declarants on its website, and entities not listed will be prohibited from engaging in crypto asset activities.</p> <p>Platforms based abroad must terminate services for Turkish residents by 02.10.2024 unless they establish a company in Türkiye and obtain an operating license. Similarly, ATMs and other devices enabling crypto-to-cash or cash-to-crypto conversions must cease operations by the same date. Non-compliance with these requirements will result in legal proceedings against the institutions involved.</p>
<p>Communiqué on the Implementation Principles of Digital Transformation Support Program</p>	<p>The Communiqué on the Implementation Principles of the Digital Transformation Support Program entered into force through publication in the Official Gazette dated 26.07.2024 and numbered 32613.</p> <p>The Digital Transformation Program supports expenditures based on a product list determined by the Ministry of Industry and Technology, considering factors such as public policy priorities, sectoral needs, value creation potential, and sustainability. The General Directorate of National Technology (GDNT) manages applications, evaluations, and monitoring processes under the program.</p> <p>To qualify, companies must be based in Türkiye, have at least five years of operations, work in fields specified by the Ministry, and plan a fixed investment of at least TRY 30 million. Approved investment plans will receive incentive certificates, and enterprises will be designated as digital transformation centers. Investors are required to submit annual progress reports on their investments to the Ministry during the incentive period.</p>

Important Legislative Amendments

<p>CMB Decision on Crypto Asset Platforms</p>	<p>The CMB published the Board Decision numbered i-SPK.35.B (dated 08.08.2024 and numbered 42/1259) with the Capital Markets Board Bulletin published on 08.08.2024.</p> <p>With its Board Decision, CMB determined the principles and procedures for establishment applications to ensure that the financial structures of crypto asset platforms are strong enough to adequately invest in IT infrastructure and cover potential risks.</p>
<p>Capital Markets Board Decision on Crypto Assets</p>	<p>The CMB published the Board Decision numbered i-SPK.35.B.1 (dated 19/09/2024 and numbered 1484) with the Capital Markets Board Bulletin published on 19.09.2024.</p> <p>The Decision introduces regulations to ensure the secure handling of customer funds and enhance transparency in crypto asset platforms. Customer cash must be held in bank accounts separate from the platforms' assets, and all cash transfers must go through banks or authorized institutions. Customer orders can only be received via official platforms, with secure record-keeping, and non-compliance is subject to penalties.</p> <p>Platforms must notify the CMB about NFTs and crypto assets linked to virtual games but are not bound by listing rules for these assets. They are prohibited from guaranteeing returns, offering referral-based benefits, or engaging in lending, leveraged transactions, or activities resembling lending. These measures aim to standardize practices and prevent unauthorized activities.</p>
<p>Regulation on the Amendment to the Regulation on Payment Services and Electronic Money Issuance and Payment Service Providers</p>	<p>Regulation on the Amendment to the Regulation on Payment Services and Electronic Money Issuance and Payment Service Providers entered into force through publication in the Official Gazette numbered 32676 and dated 28.09.2024.</p> <p>The deadline for application to the Central Bank of the Republic of Türkiye (CBRT) has been postponed for the institutions that were previously introduced by this regulation regarding digital wallets and that provide digital wallet services and can be included in the category of payment institution or electronic money institution but do not have an operating permit. Institutions within this scope must obtain the necessary permits and comply with the regulations until 07.04.2025.</p>

Important Legislative Amendments

<p>Regulation on the Amendment to the Regulation on Measures to Prevent Laundering Proceeds of Crime and Financing of Terrorism</p>	<p>Regulation on Measures to Prevent Laundering Proceeds of Crime and Financing of Terrorism entered into through publication in the Official Gazette numbered 32763 and dated 25.12.2024.</p> <p>With the Regulation, crypto asset service providers and payment and electronic money institutions are required to comply with the obligations applicable to financial institutions. In line with this Regulation, crypto asset service providers are required to collect and verify user identification information for transactions of TRY 15,000 and above, and crypto asset service providers are required to verify the collection and accuracy of the beneficiary's information in relation to these transactions.</p>
<p>Regulation on the Amendment to the Regulation on Procedures and Principles Regarding Electronic Notification System of The Presidency of The Financial Crimes Investigation Board</p>	<p>Regulation on the Procedures and Principles Regarding the Electronic Notification System of the Presidency of the Financial Crimes Investigation Board entered into force through publication in the Official Gazette numbered 32763 and dated 25.12.2024.</p> <p>With the Regulation, Crypto asset service providers are included in the Financial Crimes Investigation Board (MASAK) Presidency's E-notification System for the purpose of electronic notifications.</p>
<p>Regulation on the Amendment to the Regulation on the Compliance Program with the Obligations Regarding the Prevention of Laundering Proceeds of Crime and Financing of Terrorism</p>	<p>Regulation on the Compliance Program with the Obligations Regarding the Prevention of Laundering Proceeds of Crime and Financing of Terrorism entered into force through publication in the Official Gazette numbered 32763 and dated 25.12.2024.</p> <p>With the regulation, crypto asset service providers are obliged to appoint a compliance officer and deputy compliance officer within one month as of the publication date of this regulation and are obliged to establish a compliance program within one month.</p>
<p>Communiqué on Redetermination of Minimum Equity Amounts for Payment and Electronic Money Institutions</p>	<p>The Communiqué on Redetermination of Minimum Equity Amounts of Payment and Electronic Money Institutions is published in the Official Gazette dated 30.01.2025 and numbered 32798. The Communiqué enters into force on 30.06.2025.</p> <p>The Communiqué amends the minimum equity amounts stipulated in Article 33 of the Regulation on Payment Services and Electronic Money Issuance and Payment Service Providers.</p>

Cryptocurrencies

The most important development in the crypto domain this year was the adoption of regulations specific to cryptocurrencies for the first time in Turkish law. Crypto Assets Law entered into force through publication in the Official Gazette dated 02.07.2024 and numbered 32590. The key amendments introduced by the Law are as follows:

- ✓ The definitions of wallet, crypto asset, crypto asset service provider, crypto asset storage service, and platform were added to the CML.
- ✓ The CMB will regulate the establishment, operations, and activities of crypto asset service providers, requiring compliance with technical standards set by TÜBİTAK. Share transfers of these providers also require CMB authorization to be valid.
- ✓ The CMB is authorized to determine the principles for the issuance of capital market instruments as crypto assets.
- ✓ Platforms operating abroad are prohibited from providing services to residents of Türkiye without authorization.
- ✓ The CMB authorization is required for the establishment, commencement of operations and scope of activities of crypto asset service providers.
- ✓ Customer cash and crypto assets held by service providers are shielded from seizure, pledging, or inclusion in bankruptcy estates. Similarly, service provider assets are protected against customers' debts.
- ✓ The CMB is also authorized to determine the rules regarding the trading, initial sale or distribution, exchange, transfer and storage of crypto assets through platforms.
- ✓ Crypto asset service providers will be liable for damages arising from unlawful activities, breaches, or system failures, with strict liability principles applying under Turkish law. Executives may also be held personally accountable for damages caused by their actions.
- ✓ Platforms are required to prevent and report market abuse, comply with AML/CFT regulations, and ensure secure operations.
- ✓ Contracts between service providers and customers can be executed using remote tools but must comply with principles set by the CMB. Transactions involving crypto assets are subject to both CMB and MASAK regulations.
- ✓ Individuals and legal entities that operate as crypto asset service providers without authorization will be imprisoned and fined.



CMB has published 2 significant decisions on crypto assets to standardize practices and prevent unauthorized activities.

The CMB decision on crypto assets mandates that customer funds be securely held in separate bank accounts and orders processed only through official platforms. Platforms must notify the CMB about NFTs and virtual game assets, avoid guaranteeing returns, and are prohibited from lending or leveraged transactions. Non-compliance may result in penalties.

On the other hand, the CMB Decision on Crypto Asset Platforms establishes guidelines to ensure crypto asset platforms have strong financial structures and robust IT infrastructure. Key conditions include requirements for company type, capital, shares, board composition, and partnership structure.

Founders, shareholders, and certain key individuals must meet strict qualifications, including no bankruptcy history or convictions for specified crimes, and must apply to the CMB with required documents. Platforms granted establishment permits must also obtain an operating license from the CMB.

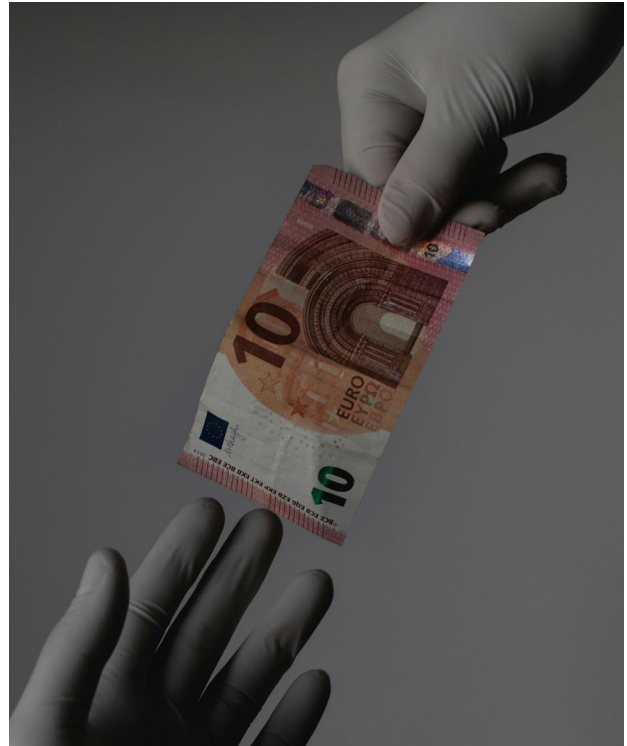
Anti-Money Laundering and Counter-Terrorism Financing

According to the Press Release of the Republic of Türkiye Ministry of Treasury and Finance dated 28.06. 2024, Türkiye is removed from the grey list concerning anti-money laundering and counter-terrorism financing. It is considered a development that will accelerate capital flows in the period ahead. This pivotal development is anticipated to significantly accelerate capital inflows in the coming period. Türkiye remains fully committed to aligning its anti-money laundering and counter-terrorism financing efforts with international standards, underscoring its dedication to fostering a secure and attractive financial environment. In this regard, recent amendments to Türkiye's AML/CFT framework have introduced significant updates, focusing on expanding the scope of regulation, improving compliance mechanisms, and strengthening enforcement tools. These changes, published in the Official Gazette dated 25.12.2024, aim to align Türkiye's regulatory standards with international best practice.

Medium to large-sized e-commerce intermediary service providers and crypto asset service providers are now within the scope of the AML/CFT regulations. These entities are required to implement more stringent measures to identify and monitor transactions, particularly those involving the transfer of crypto assets. Crypto asset service providers shall provide detailed information on the initiators and beneficiaries of transactions

above TRY 15,000. They must also establish compliance programmes and ensure identity verification through reliable systems such as the Identity Sharing System.

Crypto asset service providers and savings finance companies are required to appoint compliance officers and establish comprehensive compliance programs. These programs must address legal obligations, risk management and measures to prevent violations of freezing orders. In addition, the first financial transaction in an ongoing relationship must originate from a financial institution with established customer identification protocols.



Payment Services

- ✓ CBRT completed the first phase of the Digital Turkish Lira project in 2023, focusing on security, user experience, and digital identity integration through pilot tests conducted with strategic partners like ASELSAN, HAVELSAN, and TÜBİTAK. Aiming to enhance financial inclusion and integrate into Türkiye's growing fintech ecosystem, the project developed features like offline payments and smart contracts. In 2025, the second phase will expand testing and strengthen the digital lira's infrastructure.
- ✓ Globally, central banks are accelerating efforts on Central Bank Digital Currencies (CBDCs), with 134 countries representing 98% of global GDP exploring these technologies. While only a few have reached widespread use, advanced pilots are underway in nations like China, India, and Brazil. Türkiye is among these, focusing on interoperability and advanced payment solutions, aligning with the global shift toward modern digital payment systems.^[7]
- ✓ In 2024, nine companies were granted licenses to operate as electronic money institutions or payment institutions, including Ziraat Finansal Teknolojiler, Yemekpay, Platform Ödeme, Garanti Ödeme, Qnbpay, SBM Elektronik, Qpay, Fintlix, and Moneymate. Nine companies including - Birleşik Ödeme, N Kolay, Octet Express, and Trend Ödeme - had their existing licenses expanded to include additional payment services. Additionally, five companies were granted share transfer permission, one company operating license was temporarily suspended, and another company's license was revoked.
- ✓ Pursuant to Article 27 of Law No. 6493 titled "Failure to comply with regulations and decisions", administrative fines amounting to TRY 160.3 million in total were imposed on fifty-five institutions.^[8]
- ✓ More than 280 technical examinations were conducted against individuals and organizations suspected of unauthorized payment service activities. Written applications were made to the Chief Public Prosecutor's Offices regarding the offenses under Law No. 6493 identified as a result of the examinations.^[9]

7. ["Merkez bankalarının dijital para yarışı hızlandı"](#), TÖDEB Gündem, Vol.2, October 2024, p.7, Accessed on 12.12.2024) .

8. You may access the announcement made by the CBRT [here](#). (Accessed on 10.01.2025).

9. You may access the announcement made by the CBRT [here](#). (Accessed on 10.01.2025).



- ✓ The Communiqué on Redetermination of Minimum Equity Amounts of Payment and Electronic Money Institutions is published in the Official Gazette dated 30.01.2025 and numbered 32798. The Communiqué enters into force on 30.06.2025 and amends the minimum equity amounts stipulated in Article 33 of the Regulation on Payment Services and Electronic Money Issuance and Payment Service Providers. With the Communiqué, the minimum equity amounts became TRY 15,000,000 for payment institutions providing services for intermediation of invoice payments, TRY 30,000,000 for payment institutions that provide consolidated data through on-line platforms regarding the payment account of payment service users under payment service providers, and TRY 80,000,000 for electronic money institutions.

Name of Payment Institution	Date of Receipt of the Operating License as a Payment Institution	Payment Services Subject to License
Ziraat Finansal Teknolojiler Elektronik Para ve Ödeme Hizmetleri A.Ş.	30.01.2024	Article 12 (1) (a), (b), (c), (e) and Article 18 (2) of Law on Payment and Securities Settlement Systems, Payment Services and Electronic Money Institutions No: 6493 (Law No: 6493)
Yemekpay Elektronik Para ve Ödeme Hizmetleri A.Ş.	31.01.2024	Article 12 (1) (a), (b), (c) and Article 18 (2) of Law No. 6493
Platform Ödeme Hizmetleri ve Elektronik Para A.Ş.	13.02.2024	Article 12 (1) (a), (b), (c), (ç), (f), (g) and Article 18 (2) of Law No. 6493
Garanti Ödeme ve Elektronik Para Hizmetleri A.Ş.	15.02.2024	Article 12 (1) (a), (b), (c), (e) and Article 18 (2) of Law No. 6493
Qnbpay Ödeme Hizmetleri A.Ş.	26.06.2024	Article 12 (1) (a), (b), (c), (f), (g) of Law No. 6493
SBM Elektronik Para ve Ödeme Kuruluşu A.Ş.	26.06.2024	Article 12 (1) (a), (b), (c), (ç), (e), (f), (g) and Article 18 (2) of Law No. 6493
Qpay Elektronik Para ve Ödeme Hizmetleri A.Ş.	25.07.2024	Article 12 (1) (a), (b), (c), (ç), (e), (f), (g) and Article 18 (2) of Law No. 6493
Fintlix Elektronik Para ve Ödeme Kuruluşu A.Ş.	03.12.2024	Article 12 (1) (a), (b), (c), (ç), (e) and Article 18 (2) of Law No. 6493
Moneymate Elektronik Para ve Ödeme Hizmetleri A.Ş.	17.12.2024	Article 12 (1) (a), (b), (c), (ç), (e) and Article 18 (2) of Law No. 6493

Name of Payment Institution	Date of Expansion of the Scope of Activity Authorization	Payment Services Subject to Expansion of Operating License
Birleşik Ödeme Hizmetleri ve Elektronik Para A.Ş.	30.01.2024	Article 12 (1) (f), (g) of Law No. 6493
N Kolay Ödeme ve Elektronik Para Kuruluşu A.Ş.	25.07.2024	Article 12 (1) (f), (g) of Law No. 6493
Sipay Elektronik Para ve Ödeme Hizmetleri A.Ş.	11.12.2024	Article 12 (1) (e) of Law No. 6493
Sundus Elektronik Para ve Ödeme Kuruluşu A.Ş.	11.12.2024	Article 12 (1) (a), (b), (c), (e) and Article 18 (2) of Law No. 6493
Trend Ödeme Kuruluşu A.Ş.	11.12.2024	Article 12 (1) (f), (g) of Law No. 6493
Octet Express Ödeme Kuruluşu A.Ş.	11.12.2024	Article 12 (1) (f), (g) of Law No. 6493
Sender Ödeme Hizmetleri A.Ş.	11.12.2024	Article 12 (1) (a), (b), (c), (e), (f), (g) of Law No. 6493
D Ödeme Elektronik Para ve Ödeme Hizmetleri A.Ş.	10.01.2025	Article 12 (f), (g) of Law No. 6493
Türk Elektronik Para A.Ş.	10.01.2025	Article 12 (f), (g) of Law No. 6493

Fintech Start-ups

In Türkiye, 3 of the 10 largest transactions this quarter were in the fintech sector, with 7 deals collectively reaching USD 150 million . Among them, iyzico acquired all of Paynet's shares for USD 87 million . Early-stage investments included Midas, an investment app offering competitive commission rates, which raised USD 45 million in a Series A round led by Canadian Portage Ventures, joined by International Finance Corporation, Spark Capital, Earlybird Digital East Fund, and Revo Capital. Another was Sipay, a financial technology service provider, which secured USD 15 million in funding led by Anfa VC, with contributions from White VC and Pareto Holdings.^[10]

Crowdfunding Platforms

The “Communiqué on Crowdfunding” issued by the CMB regulates the principles and procedures regarding equity and debt-based crowdfunding. Crowdfunding is an investment model created to meet the financing needs of startups that want to produce products and services. Platforms intermediate crowdfunding based on equity and/or debt and provide services in an electronic environment. Platforms must be listed by the CMB in order to engage in crowdfunding activities.

In 2024, the platforms listed by the board to operate in crowdfunding activities are as follows:^[11]

Title	Activity Type	Date of Inclusion
Birikim Kitle Fonlama Platformu A.Ş.	equity based crowdfunding	09.01.2024
Dinamik Yatırım Menkul Değerler A.Ş.		18.01.2024
Ardventure Kitle Fonlama Platformu A.Ş.		21.03.2024
Startupcentrum Kitle Fonlama Platformu A.Ş.		19.09.2024
Trinkfon Kitle Fonlama Platformu A.Ş.		28.11.2024
Tohum Kitle Fonlama Platformu A.Ş.		05.12.2024

10. See KPMG, [Türkiye'nin Girişim Ekosistemi Yatırımları 2024 Üçüncü Çeyrek Değerlendirmesi Raporu](#), (Accessed on 12.12.2024).

11. Please see for further details: <https://spk.gov.tr/sirketler/kitle-fonlama-platformlari/listeye-alinan-platformlar> (As accessed on 10.01.2025).

Digital Banking

Digital banking in Türkiye is evolving rapidly in 2024 and is set to grow even more in the future. With the advancement of technology, the digitalization journey of banks will gain further momentum and offer consumers more convenience and security.

As of 04.04.2024, FAST transaction amount limits will be increased from TRY 50,000 to TRY 100,000 for money transfers and from TRY 100,000 to TRY 250,000 for dynamically verified merchant payments using FAST-TR QR codes.^[12] Launched as of 31.05.2024, the FAST Escrow Overlay Service aims to provide assurance to parties primarily in transactions such as the purchase and sale of second-hand vehicles. For payment transactions that require approval/registration, this service holds the transfer at a FAST participating institution and provides assurance until the transaction is completed. This service, which is offered with a transaction limit of TRY 2 million in the first phase, is expected to become widespread.^[13]

According to the Banking Regulation and Supervision Agency (BRSA)'s board decisions in 2024, the third digital bank also received an operating license.^[14]



12. Please see for further details: <https://www.tcmb.gov.tr/wps/wcm/connect/TR/TCMB+TR/Main+Menu/Duyurular/Basin/2024/DUY2024-12>. (As accessed on 10.01.2025).

13. Please see for further details: <https://www.tcmb.gov.tr/wps/wcm/connect/TR/TCMB+TR/Main+Menu/Duyurular/Basin/2024/DUY2024-32>. (As accessed on 10.01.2025).

14. BRSA decisions numbered 10945 and dated 15.08.2024.



Trends & Expectations

Trends in 2024

The fintech landscape is rapidly transforming, driven by innovation and shifting customer expectations. Here are some of the key trends shaping 2024:



Embedded Finance: Embedded finance refers to the integration of financial services—such as banking, lending, insurance, and payment solutions—into non-financial companies' platforms. This allows businesses to seamlessly offer these services without investing in dedicated financial infrastructure or independently navigating complex regulatory approvals. By embedding financial capabilities directly into their ecosystems, businesses can strengthen customer loyalty, enhance personalized experiences, and drive sales growth. Additionally, companies can capitalize on new revenue streams through transaction fees, premium offerings, and cross-selling opportunities, ensuring continuous customer engagement within their platforms. For traditional financial institutions, this development presents both competitive challenges and strategic opportunities to provide essential infrastructure, regulatory support, and innovative partnerships.



Digital ID: Digital ID is revolutionizing access to services like banking, healthcare, and government benefits by enabling secure and efficient digital interactions. It saves time for users, enhances security, and simplifies tasks like account creation and transactions. As the digital identity market grows, its development is driven by collaboration between telecom operators, banks, and public institutions, adapting to changing regulations and user needs while playing a crucial role in the digital economy.



Phygital Payments: Phygital payments, blending physical and digital processes, are transforming how consumers interact with financial systems by offering seamless and convenient experiences. From QR code-based transactions and e-wallets to wearable and voice technologies, these methods streamline everyday activities like grocery shopping, bill payments, and order pickups. As consumers demand faster and more personalized solutions, the integration of physical and digital payment options opens new opportunities for businesses to enhance customer satisfaction, improve efficiency, and foster stronger connections between merchants and users.



BNPL (Buy Now, Pay Later): The popularity of BNPL payment methods has surged in 2024, becoming essential for businesses to remain competitive by attracting more customers, boosting sales, and fostering loyalty. BNPL allows consumers to purchase immediately and pay in installments, with merchants partnering with providers to handle financing and processing.



Digital Wallet (E-wallet): A digital wallet is a software-based application that stores payment information and passwords, primarily used on mobile devices. It enables users to securely make purchases without carrying physical cards by storing credit, debit, or bank account details for convenient payments. As e-commerce expands, digital wallets are also gaining popularity.



Easy Addressing System (KOLAS): The Easy Addressing System (KOLAS) is a system developed in cooperation with the CBRT that allows users to use easily remembered personal information (such as mobile phone number, Turkish ID number, or e-mail address) instead of account number or IBAN. This system allows users to make money transfers more easily and quickly by defining this information in their accounts. KOLAS works in integration with the FAST (Instant and Continuous Transfer of Funds) system, allowing instant money transfers between banks 24/7. As of 2024, with the “Easy Address Inquiry” service offered through the e-Government Gateway, Easy Address information defined in different banks or electronic money institutions can be easily viewed from a single screen.



Artificial Intelligence: Artificial intelligence enhances consumer welfare in the fintech sector by improving payment systems, personalizing financial services, and offering effective fraud detection solutions. This facilitates the development of personalized financial products and the use of AI-powered assistants.



Blockchain and Cryptocurrency: In 2024, interest in crypto and blockchain solutions rebounded, with venture capital firms intensifying due diligence and expanding their teams to better evaluate opportunities. The renewed focus extended beyond cryptocurrencies to broader applications of blockchain technology, driving new unicorns globally and prompting regulatory developments in Türkiye.



Open Banking: Open banking is gaining momentum, allowing customers to share their financial data with third-party providers to access innovative services. As the shift toward open finance progresses, customers will not only initiate payments by sharing account details but also share broader financial data, including loans, private pensions, and insurance.



Green Fintech: Developments in ESG and sustainability also have a great impact on fintech. CMB has introduced draft guidelines for Green, Sustainable, and Sustainability-Linked Capital Market Instruments,^[15] aligning with international standards. These guidelines regulate the issuance of such tools, require compliance with framework documents, appropriate use of funds, and external evaluations to ensure credibility.

15. You may see the press release of CMB on the drafts [here](#).

Expectations for 2025

By November 2024, a total of USD 191 million had been invested in 24 fintech companies. The Turkish fintech ecosystem is home to 727 active fintech firms, with notable focus on payments, banking technologies, blockchain, and crypto assets.^[16]

As we move into 2025, the fintech sector is poised for continued expansion, not only within its scope but also through its influence on various interconnected industries. The fintech sector is set for continued growth, with key developments in regulations and technology shaping its future. Notably, the regulations of digital receipts and the introduction of green and sustainable financial instruments will promote greater transparency and inclusivity. The rise of CBDCs will enhance the speed, security, and transparency of transactions, driving financial inclusion.

Technological advancements, such as biometric authentication, digital wallets, and embedded payment systems, will improve user experiences and security. Touchless payment methods and stablecoins will expand within the ecosystem, while AI and machine learning will enhance payment efficiency and security.

AI in customer service, AI-driven financial planning, sustainable financial products, and next-generation banking services will be key drivers for 2025. As cybersecurity, AI regulation, and talent transformation remain priorities, 2025 promises significant advancements in the fintech sector.



16. [“Türkiye Fintech Snapshot- November 2024 prepared under the coordination of Finance Office of the Presidency of the Republic of Türkiye has been published”](#) (Accessed on 24.01.2025).

Contacts



Prof. Dr. H. Ercüment Erdem
Founder and Senior Partner

ercument@erdem-erdem.av.tr



Didem Adlıg Sönmez
Managing Associate

didemadlig@erdem-erdem.av.tr



İdil Yıldırım Günaydın
Associate

idilyildirim@erdem-erdem.av.tr

Disclaimer

All of the information, documents and evaluations set forth in this brochure have been prepared by the Erdem & Erdem Law Office for information purposes only. This brochure cannot be used for advertising purposes, to solicit business, or for any other purpose that is contrary to the Professional Rules for Attorneys. Unless expressly permitted by Erdem & Erdem in writing, quoting, citing, or creating links to the content of this brochure, or any other full or partial use of this brochure, is strictly prohibited. Erdem & Erdem possesses all intellectual property rights attached to the information, documents, and evaluations in this brochure and all rights are reserved.

İSTANBUL

Ferko Signature
Büyükdere Caddesi, No. 175 Kat. 3
34394, Esentepe - Şişli, İstanbul

+90 212 291 73 83
+90 212 291 73 82

istanbul@erdem-erdem.av.tr

İZMİR

1476 Sokak, No. 2, D. 27, Aksoy
Plaza Alsancak, İzmir

+90 232 464 66 76
+90 232 466 01 21

izmir@erdem-erdem.com

AMSTERDAM

Office 4.31, Strawinskylaan 457,
1077 XX Amsterdam

+31 (0)20 747 1113

amsterdam@erdem-erdem.nl