

Press Release on Maximum Interest Rates for Credit Cards

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Maximum interest rates for credit cards will be determined through a rule-based method, which is predictable and reflects current market conditions.

Maximum interest rates for credit cards will be based on the **reference rate** calculated according to the Communiqué on Procedures and Principles Regarding the Fees That Banks Can Charge Their Commercial Clients (No: 2020/4) in view of the banks' weighted average deposit rates as an indicator of the funding cost. The monthly maximum contractual interest rate in Turkish lira will be determined by adding 55 basis points to this reference rate.

In this respect, the calculation method for the interest rates on credit card transactions is as follows:

Monthly Maximum Interest Rates on Credit Cards (%)	Turkish Lira (TL)	Foreign Exchange (FX)
Maximum Contractual Interest Rate	Reference rate + 0.55	TL maximum contractual * 80%
Maximum Overdue Interest Rate	TL maximum contractual + 0.30	FX maximum contractual + 0.30

Accordingly, to be effective from 1 November 2020, the monthly maximum contractual interest rate on credit card transactions in Turkish lira will be 1.46%, while the monthly maximum overdue interest rate will be 1.76%, whereas the monthly maximum contractual interest rate on credit card transactions in foreign exchange will be 1.17% and the monthly maximum overdue interest rate will be 1.47%.

Rates calculated according to this method will be announced on the CBRT website on the fifth-to-the last business day of each month and will take effect on the first day of the following month.

Contact

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