

Press Release on Reserve Requirements

15 September 2021

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In line with its main objective of price stability, the Central Bank of the Republic of Turkey revised the reserve requirement regulation to improve the effectiveness of monetary transmission mechanism.

As announced on 1 July 2021, the upper limit of the facility for holding FX was decreased from 20% to 10% of Turkish lira reserve requirements and reserve requirement ratios for FX deposits/participation funds were increased by 200 basis points for all maturity brackets. In addition, it was announced that the facility for holding FX for Turkish lira reserve requirements would be terminated.

Thus, the said facility will be terminated by decreasing its limit from 10% to 0% on 1 October 2021. It has also been decided to increase the reserve requirement ratios for FX deposits/participation funds by 200 basis points for all maturity brackets, to be effective on the same date.

With this decision, as of 1 October 2021, TL-denominated required reserves are expected to increase by approximately TRY 13.9 billion, and required reserves in FX and gold are expected to increase by an equivalent of approximately USD 3.4 billion.

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