

**THE CBRT PRESS RELEASE ON
THE FOREIGN EXCHANGE SELLING AUCTIONS**

In line with the strategic framework set out at the Monetary Policy Meeting held on 4 August 2011, starting from 5 August 2011, the Central Bank of the Republic of Turkey (CBRT) decided to provide foreign exchange liquidity to the market, through foreign exchange selling auctions on the days deemed necessary.

On the days when the CBRT decides to sell foreign exchange, based on daily market developments, the selling amount will be announced on Reuters page CBTQ at 11:00 a.m.. The guidelines for foreign exchange selling auctions are provided in the Annex.

In the upcoming period, the CBRT will continue to closely monitor the global risk appetite indicators and depending on the foreign exchange market developments, may make changes in the auctions with prior notice.

ANNEX: Guidelines for Foreign Exchange Selling Auctions:

1. Only banks authorized to operate in the Foreign Exchange and Banknotes Markets in the CBRT are eligible to participate in auctions.
2. No auction will be held on days when payments systems are closed in the USA even if it is a working day in Turkey, on half-working days and on days when direct foreign exchange intervention by the CBRT takes place prior to the start of the auction.
3. The auction number will be posted on Reuters page CBTQ at 13:30 and the banks will submit their offers between 13:40 – 14:00.
4. The offers will be sent via Electronic Fund Transfer (EFT) as before.
5. Auctions will be held under the multiple price method.
6. The results for auctions will be posted on Reuters page CBTQ.
7. The minimum amount to be offered will be USD 1 million and multiples thereof.
8. The maximum amount to be offered for the auctions by each bank will be limited to 20 percent of the total auction amount.
9. Banks will not be able to change their offer amounts and/or prices during the auction.
10. In case there is more than one offer at the price where the auction is finalized, the distribution will be made on pro-rata basis.
11. The banks that do not fulfill their obligations arising from the auctions will be subject to the sanctions specified in the Implementation Instructions of the Foreign Exchange and Banknotes Markets.