

MONETARY POLICY FOR 2024

29 December 2023



1. Monetary Policy and Communication Strategy

1. The main contribution that central banks make to social welfare is by achieving price stability. Accordingly, the primary objective of the Central Bank of the Republic of Türkiye (CBRT) is to achieve and maintain price stability. All available instruments will continue to be used in line with this objective. Financial stability will also be safeguarded as a supporting factor for price stability.
2. Under the inflation targeting regime, the inflation target of 5% set jointly with the Government, has been maintained. The uncertainty band, which is an element of the CBRT's accountability, has also been maintained at 2 percentage points in both directions around the inflation target, the same as the previous years. The monetary policy will be formulated to bring inflation to this target in the medium-term.
3. The indicators envisaged to provide economic agents with guidance on the future course of inflation are the inflation forecasts in the short term and the inflation target in the medium term. The forecasts announced via Inflation Reports will serve as interim targets with a function to set a reference for inflation expectations.
4. Throughout the year, comprehensive evaluations of inflation developments will be shared with the public via Inflation Reports. If the realized inflation falls outside the uncertainty band at the end of the year, the CBRT will submit an "Open Letter" to the Government pursuant to the accountability principle.
5. The one-week repo auction rate will remain the CBRT's main policy instrument.
6. The CBRT began a monetary tightening process in the second half of 2023 in order to establish the disinflation course as soon as possible, to anchor inflation expectations, and to control the deterioration in pricing behavior.¹
7. The level of monetary tightness required for sustained price stability will be maintained as long as needed to attain the inflation path projected in the Inflation Reports and to achieve the 5% inflation target in the medium term.
8. Monetary tightness and monetary transmission may be supported with quantitative tightening decisions by closely monitoring liquidity developments.² The CBRT will continue to implement quantitative tightening by extending the sterilization tools at its disposal.
9. Monetary policy decisions will be made by taking into account a detailed analysis of prices on macro and micro levels, inflation expectations and pricing behavior, demand factors that monetary policy can affect, supply-side developments, domestic and external balance, financial conditions including the saving tendency and loans, as well as developments in other factors affecting liquidity and price stability.
10. The seven days prior to the Monetary Policy Committee (MPC) meeting is called the "silent period" and no external communication is carried out in this period. During this period, the departments responsible for providing technical input for the decision-making process submit detailed analyses and evaluations to the MPC.
11. In 2024, the MPC will hold 12 meetings on a preannounced timetable.³ The monetary policy decision and a brief statement explaining its rationale will be announced, together with its English translation, on the CBRT website at 2 p.m. immediately after the meeting. The summary of the MPC meeting that contains detailed assessments of the MPC will be released on the CBRT website within five working days following the meeting.

¹ Policy rate decisions in 2023 are given in Annex 1 – Table 1.

² Decisions on selective credit and quantitative tightening in 2023 are given in Annex 1 – Tables 4 and 5.

³ The 2024 schedule for meetings and reports is given in Annex 2.

- 12.** The monetary policy communication will continue in line with the principles of transparency, accountability, and predictability.
- 13.** The main communication tools of the monetary policy are the MPC announcements and the Inflation Report. The Inflation Report will continue to be issued four times a year, and briefings will be held for effective communication of monetary policy actions.
- 14.** The presentations on the CBRT's activities, monetary policy actions, and current developments, which will be delivered by the Governor of the CBRT before the Committee on Plan and Budget of the Grand National Assembly of Türkiye, will continue.
- 15.** The speeches and presentations to be delivered on other platforms by the Governor, Deputy Governors, and the CBRT staff assigned for technical issues will continue to be an important part of the communication policy.
- 16.** The Financial Stability Report will remain another important communication tool of the CBRT.
- 17.** In addition, the Monthly Price Developments report, which summarizes monthly inflation developments by sub-components, will continue to be used as a communication tool to contribute to healthier interpretation of monthly price developments in the period between the announcement of official price statistics and the MPC meeting.
- 18.** Moreover, announcements on the monetary policy, macroprudential framework, and Turkish lira and foreign exchange (FX) liquidity management will remain important components of communication.
- 19.** The CBRT will continue its communication with key target groups such as the press, investors, academia, and the general public. The CBRT will give briefings on the policy framework and macroeconomic outlook to engage with real sector and financial sector representatives, domestic and international institutions, and all stakeholders of CBRT policies. In order to expand its sphere of influence, the CBRT will continue to carry out effective communication with international institutions and platforms as well as with international stakeholders such as other central banks. Accordingly, the CBRT will organize Investor Days featuring technical presentations on issues such as inflation, monetary policy, financial markets, and banking.⁴
- 20.** The CBRT working papers, research notes in economics, blog posts and the content published in "Economics for All" microsite as well as presentations delivered on various occasions regarding the CBRT's activities and monetary policy practices, seminars, and other events will have a major role in the CBRT's communication policy.
- 21.** In addition to and in support of its other communication channels, the CBRT will continue to use its social media accounts as effective communication channels. The CBRT's policy decisions and their rationales, practices, publications, and corporate news are also announced through these accounts. In this context, the CBRT will share various content summarizing the CBRT announcements, reports, and monetary policy instruments via the social media. Moreover, through its social media posts, the CBRT will provide various target audiences with access to information on a range of topics such as economic analyses and concepts, and events organized by the CBRT.

⁴ The first Investor Day will be held on 11 January 2024 in New York. The schedule for the Investor Days will be announced at a later date.

22. The CBRT will continue to work with all stakeholders in high coordination to enhance the effectiveness of the monetary policy implemented. The CBRT will continue to share its structural and early warning analyses and findings with the public and relevant institutions regarding the causes of inflation out of the control of monetary policy.
23. The research agenda that the CBRT will set to shape policy decisions based on recent and real-time data as well as robust scientific analyses and to contribute to sustainable price stability will be shared with the public, and academic support activities will be used in the most effective way to enhance policy design processes.

2. Macprudential Policy Framework

24. In the second half of 2023, the CBRT took comprehensive steps to simplify the micro- and macroprudential policy framework in order to enhance the functionality of market mechanisms and strengthen macro-financial stability.⁵
25. Main steps for the simplification of the macroprudential framework include the termination of the additional/reduced securities maintenance based on the share of Turkish lira and FX-protected deposits (KKM) in total deposits and on conversion ratio of FX deposits to KKM, the termination of the securities maintenance for Turkish lira commercial loans and loans extended against expenditure, and the termination of the securities maintenance based on loan interest rate/profit rate, as well as the reduction of the securities maintenance ratio for FX liabilities.
26. Thus, the securities maintenance regulation was substantially simplified to a level that would not create additional demand for securities in the current scenario. As the monetary tightening process was accompanied by these simplification steps, bond yields increased and the yield curve began to reflect the monetary policy stance.
27. Guided by impact analyses, the simplification process will continue in 2024 based on evaluations regarding the effects of all components of the current macroprudential framework on inflation, interest rates, exchange rates, reserves, expectations, and financial stability.
28. The gradual reduction of securities maintenance for FX liabilities will continue. In tandem with a stronger transition from KKM to Turkish lira deposits, related regulations will also be simplified.
29. In order to support the demand for Turkish lira assets and contribute to macro financial stability, the targets of increasing the share of Turkish lira deposits in total deposits and transition from KKM accounts to Turkish lira accounts have supported the monetary policy steps since August 2023 in the simplification process.⁶
30. As a result of these measures, which have improved the effectiveness of the monetary transmission mechanism, the KKM balance has decreased by 22% since August, while the share of Turkish lira deposits in total deposits increased by 9 percentage points as of 15 December.
31. The CBRT anticipates that demand for KKM will continue to fall while demand for Turkish lira assets will increase in 2024 with the market mechanism functioning more effectively, exchange rates remaining stable, and the disinflation process becoming more evident.
32. Moreover, the CBRT aims to increase the share of Turkish lira deposits to 50% in the banking system and to sustain the fall in the KKM balance in 2024 through steps prioritizing Turkish lira deposits.
33. Selective credit policies were effectively implemented in 2023 to enhance the functionality of the monetary policy transmission mechanism, rebalance domestic demand, and support export/investment activities. Accordingly, securities maintenance practice was introduced on

⁵ A summary of the simplification steps is given in Annex 1 – Table 2.

⁶ Macroprudential arrangements for TL deposits are given in Annex 1 – Table 3.

banks that exceeded the monthly growth limit of 2.5% for Turkish lira commercial loans (excluding export, investment, agriculture, and tradesmen loans, as well as loans extended to public institutions and organizations and to the earthquake zone), 3% for general-purpose loans, and 2% for vehicle loans.⁷

- 34.** The loan composition will be shaped within a framework that is supportive of the disinflation process and macroeconomic balances. The secondary effects of the tightening in financial conditions on access to finance will be closely monitored, and selective credit policies will be kept in place to support investment, production and export-oriented activities in particular. Measures may be introduced to mitigate the impact of tighter financial conditions on low-income groups during this process.

3. Turkish Lira and Foreign Exchange Liquidity Management

- 35.** The funding need of the system was TL 1,266.6 billion as of 22 December 2023. Throughout the year, the system's funding need increased by TL 215.4 billion and this rise was mainly driven by: reserve requirement regulations carried out within the scope of quantitative tightening, the rise in the volume of banknotes in circulation as well as in the amount of net domestic borrowing of the Ministry of Treasury and Finance. Meanwhile, the FX-Protected deposit transactions (KKM), export proceeds, rediscount loans, other FX-earning transactions and outright purchases of Government Domestic Debt Securities (GDDS) have been factors decreasing the system's funding need.

- 36.** The CBRT funding is carried out via Open Market Operations (OMO) and swap transactions against foreign currency and gold. Accordingly, the swap transaction amount, which was TL 883.4 billion at the beginning of 2023, increased by TL 612.9 billion and reached TL 1,496.4 billion by 22 December 2023. The net OMO amount, which was TL 167.8 billion at the beginning of 2023, decreased by TL 397.6 billion, and TL 229.7 billion has been sterilized from the market via OMO as of 22 December 2023.

- 37.** In the second half of 2023, there were periods of excess TL liquidity in the system due to exchange rate difference payments to KKM and FX transactions against Turkish lira and thus, the CBRT became a net borrower in the OMO. The provision of excess liquidity was sterilized via various instruments to sustain the efficiency of the monetary transmission mechanism. In this framework;

- Reserve requirement was introduced on KKM accounts, and reserve requirement ratios for KKM were further raised and differentiated across maturities.⁸
- Additional reserve requirement implementation was introduced for FX-denominated deposits, to be maintained in Turkish lira.
- Turkish lira deposit buying auctions started to be held as of 22 December 2023.

- 38.** Due to the Treasury's borrowing structure and spending projections, continuation of the upward trend in reserves, and the outstanding TL swap transactions, there may be temporal excess liquidity in the market in 2024 as well. In order to secure the effectiveness of the monetary transmission mechanism and support monetary tightening, this excess liquidity will be sterilized via diversified sterilization instruments and the quantitative tightening process will continue.

- 39.** In pursuit of its primary objective of price stability, the CBRT will continue to use all liquidity management instruments effectively to ensure efficiency of the monetary transmission

⁷ Selective credit decisions are given in Annex 1 - Table 5.

⁸ Quantitative tightening decisions are given in Annex 1 – Table 4.

mechanism. To this aim, the liquidity level in the market and the distribution of liquidity in the banking system will also be considered in the framework of liquidity management.

- 40.** The main policy instrument of the CBRT is the one-week repo auction rate. Accordingly, the goals of the TL liquidity management are:
- To ensure that the secondary market overnight interest rates materialize around the one-week repo rate when setting the daily repo auction amount,
 - To ensure efficient and stable functioning of money markets in accordance with the liquidity management strategy,
 - To ensure that the instruments used bolster the effectiveness of the monetary policy,
 - To ensure uninterrupted functioning of payment systems.
- 41.** To ensure balanced distribution of liquidity across the days of the week, more than one repo auction may be conducted with maturities between 5 and 12 days when deemed necessary. If an unprecedented liquidity shortage emerges, intra-day repo auctions with one-week maturity via the quantity method may be held between 1 p.m. and 4 p.m.
- 42.** In order to maintain instrument diversity and operational flexibility in liquidity management, the CBRT is required to hold a sufficient amount of GDDS and TL denominated lease certificates issued by the Asset Leasing Company of the Ministry of Treasury and Finance (ALCTT) in its OMO portfolio for technical reasons. Accordingly, in the first half of 2023, the CBRT purchased nominal TL 39 billion worth of GDDS via the traditional auction method and TL 55.5 billion worth of GDDS via auctions held as part of the primary dealership outright purchase facility, totaling a purchase of nominal TL 94.5 billion. Meanwhile, via the quotation method, nominal TL 8.8 billion worth of purchases were made. In the second half of 2023, outright purchase auctions were suspended in line with the quantitative tightening steps. The size of OMO portfolio, which was nominal TL 121.4 billion at the beginning of 2023, was recorded at nominal TL 193.5 billion as of 22 December 2023, composed of lease certificates of nominal TL 0.7 billion and GDDS of nominal TL 192.8 billion.
- 43.** The CBRT's OMO portfolio size for 2024 was set at nominal TL 200 billion, reserving the option to make additional purchases. Outright purchase operations will be conducted throughout 2024 to reach the above-cited amount, including the nominal amount of TL 28.2 billion that will be due in 2024. In line with the outright purchasing strategy drawn up taking into account analyses regarding the funding need of the system:
- Outright purchases will be conducted within a balanced and predictable framework in consideration of the OMO portfolio redemption schedule and liquidity conditions in the market,
 - Purchasing of TL-denominated lease certificates will be prioritized taking into account the structure of the OMO portfolio,
 - The securities to be purchased will be announced through data vendors at 10.00 a.m. on the first business day of the respective month,
 - Purchase auction days will be determined in consideration of market conditions with settlement date of the next business day,
 - Each auction amount will be determined in view of market conditions,
 - Other issues related to the auctions will be subject to the existing regulations, yet revisions may be made regarding the auction amount, security type, and auction method if deemed necessary.

- 44.** In 2023, within the framework of TL currency swap transactions, the CBRT provided funding through swap auctions conducted via the traditional method and swap market transactions conducted via the quotation method. As of 22 December 2023, the outstanding amount of TL currency swap auctions was USD 48.2 billion, while the outstanding amount of TL currency swap market transactions was USD 1.9 billion.
- 45.** To increase the effectiveness of banks' liquidity management and contribute to the bringing of gold savings into the financial system, the CBRT continued to conduct TL/FX gold swap transactions in 2023. As of 22 December 2023, the net outstanding amount of TL gold swap market transactions conducted via the quotation method was 12.4 tons, the net outstanding amount of FX gold swap market transactions was 26.7 tons, and the net outstanding amount of TL gold swap auctions conducted via the traditional method was 31.4 tons.
- 46.** The CBRT will continue to conduct swap transactions in 2024 to support banks' TL and FX liquidity management. On the other hand, a gradual reduction is planned in the amount of swap transactions conducted by the CBRT.
- 47.** TL-settled FX forward transactions at the BIST Derivatives Market (VIOP) continued in 2023. Additionally, to increase instrument diversity, TL-settled FX forward selling transactions at the CBRT started on 14 April 2023. Meanwhile, the CBRT's total short position amount, which reached USD 9.6 billion in June, was reduced gradually in the rest of the year and decreased to USD 195 million as of 22 December 2023.
- 48.** As before, the CBRT continued to closely monitor the FX supply and demand developments and take the necessary measures in 2023 to stabilize FX liquidity. Accordingly, effective from 3 July 2023, the liquidity need in the FX market that may arise at maturity dates of Turkish lira deposit and participation accounts converted from FX or gold accounts started to be met via CBRT's outright FX sales to banks against Turkish lira.
- 49.** The floating exchange rate regime will continue in 2024, and exchange rates will be determined under free market conditions according to supply and demand balance. The CBRT has no commitment to any exchange rate level and will not conduct FX buying or selling transactions to determine the level or direction of exchange rates. To ensure efficient functioning of the FX market and promote healthy price formation, the CBRT will continue to closely monitor exchange rate developments and related risk factors as well as to take the necessary measures and employ suitable instruments.
- 50.** In 2023, a portion of the increased domestic demand for physical gold was met by the CBRT through gold selling and location swap transactions. In 2024, the CBRT will continue gold ore purchases against TL with a view to accumulating reserves. In addition, the CBRT may conduct location swap transactions with banks depending on market conditions.
- 51.** Foreign banknotes against foreign exchange transactions between the CBRT and the banks entitled to operate in FX markets will continue.
- 52.** The CBRT will continue to provide banks with FX liquidity at one-week and one-month maturities at the CBRT FX Deposit Market, with a limit of approximately USD 50 billion in total.
- 53.** Banks will be allowed to pledge collateral FX deposits and gold deposits with the CBRT at varying maturities within their limits.
- 54.** Strengthening international reserves is essential for effective monetary policy and financial stability. Owing to monetary tightening and the steps taken to simplify the macroprudential framework, international reserves have recorded a strong upward trend since the second half of 2023, reaching USD 145.5 billion as of 22 December 2023. In this respect, as long as market conditions allow, the CBRT will maintain its reserve build-up strategy and ensure continuation of the stable uptrend in international reserves in 2024.

4. The CBRT's Credit Programs

55. In 2023, the CBRT raised the daily limits for rediscount credits for export and foreign exchange earning services to TRY 3 billion, set a cap for the total interest cost, and took facilitating steps regarding the commitment not to buy foreign currency during the rediscount credit term as well as the commitment to sell export proceeds.⁹
56. Additional facilitating steps may also be taken in 2024 regarding rediscount credits for export and foreign exchange earning services to support exporters' access to finance and improve their financing conditions.
57. The terms for access to advance loans against investment commitment (ALAIC) were revised, taking into account strategic priorities, to ensure efficient use of financial resources and promote investments. Accordingly, a total limit of TRY 300 billion for three years (TRY 100 billion per year) will be allocated on the basis of the Technology/Strategy Score to be obtained by firms from the Ministry of Industry and Technology, considering the efficiency and value added of the investment projects.

⁹ Developments regarding the CBRT's credit programs are given in Annex 1 – Table 5.

Annex 1: Monetary Policy Decisions Taken in 2023

Table 1. Policy Rate Decisions	Date
The one-week repo auction rate, which is the policy rate, was kept constant at 9%.	19 January 2023
The one-week repo auction rate, which is the policy rate, was reduced from 9% to 8.5%.	23 February 2023
The one-week repo auction rate, which is the policy rate, was kept constant at 8.5%.	23 March 2023
The one-week repo auction rate, which is the policy rate, was kept constant at 8.5%.	27 April 2023
The one-week repo auction rate, which is the policy rate, was kept constant at 8.5%.	25 May 2023
The one-week repo auction rate, which is the policy rate, was raised from 8.5% to 15%.	22 June 2023
The one-week repo auction rate, which is the policy rate, was raised from 15% to 17.5%.	20 July 2023
The one-week repo auction rate, which is the policy rate, was raised from 17.5% to 25%.	24 August 2023
The one-week repo auction rate, which is the policy rate, was raised from 25% to 30%.	21 September 2023
The one-week repo auction rate, which is the policy rate, was raised from 30% to 35%.	26 October 2023
The one-week repo auction rate, which is the policy rate, was raised from 35% to 40%.	23 November 2023
The one-week repo auction rate, which is the policy rate, was raised from 40% to 42.5%.	21 December 2023

Table 2. Decisions to Simplify the Macroprudential Framework	Date
Gradually terminating the securities maintenance based on the loan interest rate / profit rate	July 2023
	August 2023
	October 2023
	December 2023
Terminating the additional FX RR maintenance and additional/reduced securities maintenance based on the share of TL and KKM deposits	August 2023
Terminating the securities maintenance based on the conversion ratio of FX deposits to KKM	August 2023
Terminating the minimum interest rate applied to KKM accounts converted from TL deposits	September 2023
Terminating the securities maintenance practice as well as the document against expenditure regarding TL commercial loans extended by banks	October 2023
Terminating the securities maintenance practice regarding the securities issued by the real sector and purchased by banks	October 2023
Facilitating reporting processes for companies by simplifying the summary FX position report	November 2023
Terminating the RR practice for TL commercial loans extended by financing companies	November 2023
Reducing the securities maintenance ratio applied to FX liabilities	December 2023

Table 3. Macroprudential Arrangements in TL Deposits	Date
Excluding the KKM accounts from the TL deposit share target, switching to the target of increasing this ratio for real persons, and revising the target values	August 2023 September 2023 October 2023 December 2023
Moving towards targets regarding gradual reduction of KKM accounts through transition to TL time deposits and ensuring renewal of KKM accounts converted FX deposits, and revising the target values	August 2023 December 2023
Terminating the securities maintenance in the regulations about the share of TL deposits and the regulations about KKM and revising the implementation of commissions on FX deposits accordingly.	October 2023 December 2023
Allowing the interest rate for KKM accounts converted from FX deposits to be set at a level not lower than 85% of the one-week repo auction rate	November 2023

Table 4. Quantitative Tightening Decisions	Date
Sterilizing TL liquidity by introducing the RR practice to KKM accounts, increasing this ratio for short maturities by maturity-based differentiation in September and raising it for all maturities in November	July 2023 September 2023 November 2023
Increasing the RR ratios on FX-denominated deposits/participation funds	August 2023 November 2023
Introducing additional RR to be maintained in TL for FX-denominated deposits/participation funds	November 2023
Launching Turkish lira deposit buying auctions	December 2023

Table 5. Selective Credit Decisions	Date
Facilitating access to rediscount credits by exempting FX purchases for import payments from the commitment not to buy FX during the rediscount credit term and abolishing the condition of selling additional export value, and increasing the daily limits of rediscount credits to TL 1.5 billion which is 5 times of the initial level	July 2023
Reducing the loan growth limit from 3% to 2.5% for TL commercial loans (excluding loans for export, investment, agriculture, tradesmen, public institutions-organizations and the earthquake zone) and from 3% to 2% for vehicle loans in the securities maintenance practice	July 2023 August 2023
Setting higher maximum interest rates to be applied to TL cash withdrawals or TL cash utilization via credit cards and overdraft accounts from those applied to other credit card transactions.	July 2023
Increasing the daily limit for rediscount credits by 2 times to TRY 3 billion	September 2023
Terminating the securities maintenance based on the interest rate/profit rates for TL commercial loans, while retaining it for export and investment loans and general purpose loans	October 2023
Setting a cap on the total interest cost for export and FX earning services rediscount credits	November 2023
Allocating a total limit of TRY 300 billion for 3 years, with a maximum annual limit of TRY 100 billion to the ALAIC program and restructuring the implementation framework	November 2023
Extending the loan growth-based security maintenance and the exemptions for the earthquake zone, which will expire at the end of 2023, to June 2024	December 2023
Setting a cap for the reference rate used in determining the maximum interest rates to be applied to credit card transactions and overdraft accounts and the maximum commission rates of member merchants	December 2023

Annex 2: Schedule for MPC Meetings and Reports in 2024

MPC Meetings	Summary of the MPC Meeting	Inflation Report	Financial Stability Report
25 January 2024	1 February 2024	8 February 2024	
22 February 2024	29 February 2024		
21 March 2024	28 March 2024		
25 April 2024	3 May 2024	9 May 2024	
23 May 2024	30 May 2024		31 May 2024
27 June 2024	3 July 2024		
25 July 2024	1 August 2024	8 August 2024	
22 August 2024	29 August 2024		
19 September 2024	26 September 2024		
17 October 2024	24 October 2024	31 October 2024	
21 November 2024	28 November 2024		29 November 2024
26 December 2024	3 January 2025		
23 January 2025	30 January 2025	6 February 2025	
20 February 2025	27 February 2025		
20 March 2025	27 March 2025		

Note: Monetary Policy for 2025 will be published in December 2024.

Annex 3: Monetary and Liquidity Policy Instruments

Transaction	Objective	Instrument	Maturity	Frequency
Main policy instrument	Ensuring that secondary market overnight rates materialize around the policy rate	One-week repo auctions	One-week, 5-12 days	Daily
Standing facilities	Ensuring that the possible volatility level of money market interest rates remain within the interest rate corridor set by the CBRT	TL deposit borrowing/lending at the CBRT's Interbank Money Market	Overnight	Daily
		Primary dealer repo facility	Overnight	Daily
		Repo quotations against lease certificates	Overnight	Daily
		Repo/reverse repo at BIST Repo Markets	Overnight	Daily
Lender of last resort transactions	As the lender of last resort, the CBRT tries to avoid temporary liquidity shortages that may cause interruptions in the payment system and technical payment problems that may obstruct the effective functioning of financial markets	Late liquidity window deposit lending/borrowing	Overnight	Daily
		Late liquidity window repo transactions	Overnight	Daily
		Intraday limits	Intraday	Daily
Unconventional instruments	Avoiding excessive interest rate volatility	Intraday repo auctions	Weekly	When needed
	Ensuring that secondary market overnight rates materialize around the policy rate	TL deposit buying auction	Up to 91 days	When needed
		Liquidity bill issue	Up to 91 days	When needed

Annex 4: FX Market Instruments and Key Features

	TL Currency Swaps	TL Currency Swap Auctions (Traditional Method)	TL-Settled FX Forward Transactions at the VIOP	TL-Settled FX Forward Transactions	FX Deposit Market Transactions	BIST Swap Market Transactions	TL Gold Swap Auctions (Traditional Method)	TL Gold Swaps	FX Gold Swaps
Participants	Member banks	Member banks	All VIOP members	Member banks	Member banks	Banks authorized by the BIST Regulation	Member banks	Member banks	Member banks
Minimum amount	USD 1 million	USD/EUR 1 million	USD 1.000	USD 100.000	USD/EUR 1 million	USD/EUR 1 million	1 kg	1 kg	1 kg
Collateral ratio (%)	10%	10%	Set by the VIOP	2.5%	100%	Set by the VIOP	10%	10%	10%
Settlement	At maturity	At maturity	Daily	At maturity	At maturity	At maturity	At maturity	At maturity	At maturity
Announced limit	30% of FX Market limits		-	-	USD 50 billion		100 tons	169 tons	168 tons (buying), 100 tons (selling)
Maturity	1- week	2-week, 1-month, 2-month, 3-month	Set by the VIOP	1-month, 3-month	1-week, 1-month	Maximum 180 days	1-month, 3-month, 6-month	1-week	1-week
Method	Quotation	Auction	Quotation	Auction	Quotation	Quotation	Auction	Quotation	Quotation