



**TÜRKİYE CUMHURİYET
MERKEZ BANKASI**

**IMPLEMENTATION INSTRUCTIONS
FOR THE COMMUNIQUÉ ON DEPOSIT
AND PARTICIPATION SCHEME FOR
NON-RESIDENT TURKISH CITIZENS
(YUVAM) ACCOUNTS**

TREASURY AND CORPORATE OPERATIONS DEPARTMENT

22 March 2022

Implementation Instructions for the Communiqué on Deposit and Participation Scheme for Non-Resident Turkish Citizens (YUVAM) Accounts

Objective and scope

ARTICLE 1- (1) **(Amended: 18/2/2022-22/3/2022)** The objective of these Implementation Instructions is to lay down the implementation details of the Communiqué No. 2022/7 on Deposit and Participation Scheme for Non-Resident Turkish Citizens (YUVAM) Accounts that regulates the procedures and principles regarding the conversion of foreign currency deposit accounts and participation funds held at banks by non-resident persons, and by financial institutions and non-bank companies designated by the Central Bank which are established abroad in accordance with the laws of that country, the fund holders of which are non-resident persons and the legal residence of which is outside Türkiye, to Turkish lira-denominated deposit and participation scheme for non-resident Turkish citizens (YUVAM) accounts.

Legal Basis

ARTICLE 2- (1) These Implementation Instructions have been prepared based on the Communiqué No. 2022/7 on Deposit and Participation Scheme for Non-Resident Turkish Citizens (YUVAM) Accounts.

Definitions and abbreviations

ARTICLE 3- (1) In this Implementation Instructions, the following terms shall have the meanings indicated below:

- a) Bank: Deposit and participation banks defined in Article 3 of the Banking Law No. 5411 dated 19/10/2005,
- b) Conversion rate: The latest of the foreign exchange buying rates announced by the CBRT at 10.00, 11.00, 12.00, 13.00, 14.00 and 15.00, as of the time when foreign exchange in foreign currency deposit and participation accounts is converted to Turkish lira,
- c) Central Bank: The Central Bank of the Republic of Türkiye,
- d) Exchange rate at maturity: The foreign exchange buying rate announced by the Central Bank at 11.00 on the maturity date of a YUVAM account,
- e) **(Amended: 22/3/2022)** Non-resident persons: Real person citizens of the Republic of Türkiye who have the right or a permit to reside or be employed abroad and whose residence is registered as a foreign residence in the address registration system, persons holding a Blue Card granted pursuant to Article 28 of the Turkish Citizenship Law No. 5901 dated 29/5/2009, and foreign real and legal persons eligible to open an account in banks,
- f) **(Amended: 18/2/2022-22/3/2022)** Deposit and participation scheme for non-resident Turkish citizens (YUVAM) account: Time deposit and participation accounts that receive additional return from the Central Bank in accordance with the procedure set out in paragraph 3 of Article 4, which are opened by way of converting to Turkish lira the foreign currency deposit accounts and participation funds held at banks by persons defined in clause (e) above, and by financial institutions and non-bank companies designated by the Central Bank which are established abroad in accordance with the laws of that country, the fund holders of which are non-resident persons and the legal residence of which is outside Türkiye.

General provisions regarding YUVAM accounts

ARTICLE 4- (1) YUVAM accounts shall be opened with maturities of 3, 6, 12 and 24 months.

(2) **(Amended: 18/2/2022)** YUVAM accounts with 24-month maturities can be opened with annual interest/profit share accrual terms, and the annual interest/profit share shall be payable by the bank upon the request of the account holder. The amounts paid shall be notified to the Central Bank at maturity, using the notification form in Annex-2.

(3) **(Amended: 22/3/2022)** Additional returns, which will be calculated over the foreign currency amounts converted to YUVAM accounts and at varying rates depending on the maturity as specified below, shall be paid by the Central Bank in Turkish lira as per Article 6. The following rates refer to annual rates of return.

3-Month Maturity: 1%

6-Month Maturity: 2%

12-Month Maturity: 3%

24-Month Maturity: 4%

(4) **(Amended: 22/3/2022)** No transfer fees shall be charged to persons opening an account via currency transfer from abroad in the scope of these Implementation Instructions. The Central Bank shall pay the expenses of up to two per thousand to banks for accounts opened free of charge via international transfers, and the expenses of up to three per thousand to money transfer institutions approved by the Central Bank that provide money transfers free of charge. The amounts of transfer expenses to be covered shall be notified to the Central Bank in Turkish lira electronically on the same day, using the notification form in Annex-5. The expenses notified shall be paid by the Central Bank in monthly terms.

Opening a YUVAM account

ARTICLE 5- **(Amended: 18/2/2022)** (1) Foreign currencies that are eligible for YUVAM accounts shall be limited to currencies traded by the Central Bank.

(2) Balances of foreign currency deposit accounts and foreign currency participation fund accounts in US dollar, euro, pound sterling or Swiss franc are converted to Turkish lira at the conversion rate upon the request of the account holder, and a YUVAM account is opened.

(3) **(Amended: 22/3/2022)** In transactions with other foreign currencies, the currency amounts are first converted to US dollar, euro, pound sterling or Swiss franc by the bank. Then, these amounts are converted to Turkish lira at the conversion rate, and a YUVAM account is opened.

(4) US dollar, euro, pound sterling or Swiss franc accounts are opened on behalf of the Central Bank at banks that want to join the system. Foreign currencies bought by the bank with respect to the requests it has received shall be notified to the Central Bank until 17.00, and transferred to the abovementioned accounts all at once. Transactions related to notifications sent after 17.00 are realized the next business day.

(5) Receipts for the foreign currencies transferred to the Central Bank's account, and information about the converted amounts shall be notified to the Central Bank electronically on the same day, using the notification form in Annex-1.

(6) The foreign currency which is transferred to the CBRT by the bank is purchased by the CBRT at the conversion rate.

(7) The CBRT transfers the Turkish lira equivalent of FX buying transactions to the Bank's EFT center with no transaction charge. For those transactions that are not completed by 17.30, the Turkish lira amounts are transferred to the required reserve accounts at the CBRT.

(8) In the scope of these Implementation Instructions, during FX transfers from the bank to its correspondent for FX amounts to be transferred to the CBRT with a maturity of 1 day, in the MT202 form/ message, the bank shall write "YUVAM" in box 21, "/BNF/ NAME OF BANK YUVAM IBAN....." (IBAN information to be declared by the CBRT for these transactions) and "TCMBTR2A" in box 58

Transactions at Maturity

ARTICLE 6- (1) **(Amended: 18/2/2022-22/3/2022)** At the maturity date of time deposit accounts, it is essential that the account holder's principal be protected based on the foreign exchange calculated at maturity and that additional return be earned. Participation banking principles shall apply to participation accounts.

(2) **(Amended: 22/3/2022)** If the exchange rate at maturity is lower than the conversion rate, the bank shall pay principal + interest/profit share + additional return to the account holder, and the Central Bank shall pay the additional return to the bank.

(3) **(Amended: 22/3/2022)** If the exchange rate at maturity is higher than the conversion rate;

a) If interest/profit share > exchange rate difference, the bank shall pay principal + interest/profit share + additional return to the account holder, and the Central Bank shall pay the additional return to the bank.

b) If interest/profit share < exchange rate difference, the bank shall pay principal + interest/profit share + "exchange rate difference – interest/profit share" + additional return to the account holder, and the Central Bank shall pay "exchange rate difference – interest/profit share" and additional return to the bank. In cases where the return payable to the participation account is lower than the cost incurred in one-week repurchase transactions, which the Central Bank conducts with participation banks as part of open market operations, the difference may be covered by the participation bank in line with the principles of participation banking. The Central Bank shall not pay for the uncovered portion.

(4) **(Amended: 22/3/2022)** The bank, at maturity, shall notify the Central Bank of the accrued interest/profit share, exchange rate difference and additional return amounts payable to the account holder, using the notification form in Annex-2. After the reconciliation of bank records and the Central Bank records, the amounts to be covered by the Central Bank pursuant to this article shall be transferred to the account of the respective bank on the same day.

(5) **(Amended: 22/3/2022)** In case of withdrawal before the maturity date, no additional return shall be paid by the Central Bank. However;

a) If the foreign exchange buying rate announced by the Central Bank at 11.00 on the date of withdrawal is higher than the conversion rate, the Central Bank shall not pay for the exchange rate difference.

b) If the foreign exchange buying rate announced by the Central Bank at 11.00 on the date of withdrawal is lower than the conversion rate, the account balance shall be updated at the foreign exchange buying rate announced by the Central Bank at 11.00 on the date when the account is closed before maturity. The difference shall be transferred by the bank to the Turkish lira account of the Central Bank, and the information regarding these transactions shall be notified to the Central Bank electronically on the same day, using the notification form in Annex-3.

(6) **(Amended: 22/3/2022)** At maturity and upon the request of the account holder, the account can be renewed at the maturity rate. Information related to such transactions shall be notified to the Central Bank electronically on the same day, using the notification form in Annex-1.

(7) **(Amended: 22/3/2022)** Within the scope of account renewals, the account holder shall be able to make use of the incentive with a chosen term, only for an amount up to the foreign currency equivalent of the Turkish lira balance at the end of the maturity as converted at the exchange rate at maturity.

Other provisions

ARTICLE 7- (1) All expenses concerning foreign currency transfers made by the bank to the Central Bank shall be paid by the Central Bank by the last business day of the following month at the foreign exchange buying rate announced by the Central Bank at 11.00 on the payment day, based on the monthly MT291 message sent by the bank.

(2) At the opening of a YUVAM account, the bank shall inform the account holder about the conditions regarding any withdrawal before the maturity date.

(3) Changes in YUVAM accounts in terms of interest maturity and contract etc. shall not be allowed.

(4) **(Amended 22/3/2022)** Using the notification form in Annex-4, the Central Bank shall be notified by 15.30 on the last business day of the month for the Turkish lira-denominated interest-bearing balances and participation account balances as of the last business day of the month of the accounts opened by banks according to these Implementation Instructions, their Turkish lira values calculated over the foreign exchange buying rates announced by the Central Bank at 11.00 on the last business day of the month as well as their additional returns.

(5) For the excess amounts transferred to the bank due to errors and notification discrepancies stemming from the bank, penal sanctions shall be imposed in consideration of the duration of the transfer at the Central Bank's policy rate. Moreover, if the excess transfer is registered in the bank's required reserves account, the said amount shall not be included in the maintenance of required reserves.

(6) **(Amended 18/2/2022)** For account holders to benefit most from their YUVAM accounts, banks are obliged to make these accounts available on internet banking and mobile applications as well as through their domestic and foreign branches, and to provide the necessary infrastructure and automation, remote customer acquisition being the priority, for account holders to benefit from the system in the countries where they are located.

(7) Banks shall check whether all transactions to be made according to these Implementation Instructions are carried out in accordance with national and international standards regarding the prevention of laundering proceeds of crime and financing of terrorism. If it is found that these standards are violated, the Central Bank shall be notified immediately thereof by the bank that has made the transaction.

(8) **(Amended 18/2/2022)** Banks can convert foreign exchange deposit accounts and foreign exchange-denominated participation fund accounts via mobile or internet banking at the foreign exchange buying rate announced by the Central Bank after 17.00 on business days, and at 15.00 on the last business day on holidays. Conversion transactions carried out by account holders after 17.00 on business days or on holidays shall be included in the banks' notifications to be made to the Central Bank by 17.00 on the next business day.

Enforcement

ARTICLE 8- (1) These Implementation Instructions shall enter into force on 1/2/2022.

Execution

ARTICLE 9- (1) These Implementation Instructions shall be executed by the Governor of the Central Bank of the Republic of Türkiye.

ANNEX: 5

Contact Information: Treasury and Corporate Operations Department
Telephone: (0312) 507 73 13 / 74 81 / 70 28
E-mail: yuvam@tcmb.gov.tr

Publication Date of Instructions
01.02.2022
Date of Amendment in Instructions
18.02.2022

ANNEX 1	CONVERSION TO YUVAM ACCOUNTS								
NOTIFICATION DATE:	.../.../2022								
BANK CODE:	0001								
TYPE OF CURRENCY:	USD/EUR/GBP/CHF								
DATE OF TRANSACTION:	.../.../2022								
TRANSACTION DETAILS									
ACCOUNT NO	REAL PERSON (RP) / LEGAL PERSON (LP)	COUNTRY	FX AMOUNT (A)	CONVERSION RATE (B)	TRY AMOUNT (C=A*B)	MATURITY (3, 6, 12 or 24 months)	DATE OF MATURITY	RATE OF INTEREST/PROFIT SHARE (%)	TYPE OF ACCOUNT INITIAL OPENING (I) / RENEWAL (Y)
NOTE: A FORM SHALL BE FILLED OUT FOR EACH CURRENCY. PLEASE FILL IN THE AVERAGE EXCHANGE RATE IN "TOTAL".									

ANN EX 3	EARLY WITHDRAWAL *An early withdrawal rate higher than the conversion rate will yield no Exchange Rate Difference or Additional Return. **The annual interest/profit share paid for 24-month accounts at the end of 12 months.						
NOTIFICATION DATE:/./202..						
NAME OF BANK:						
TYPE OF CURRENCY:	USD/EUR/GBP/CHF						
ACCOUNT NO	REAL PERSON (RP) / LEGAL PERSON (LP)	FX AMOUNT (A)	RATE OF EARLY WITHDRAWAL (B)	TRY AMOUNT (on Date of Withdrawal) (C=A * B)	TRY AMOUNT (Start of Term) (D)	CONVERSI ON RATE* (E=D-C)	INTEREST /PROFIT SHARE PAID IN TRY**
REAL PERSON TOTAL							
LEGAL PERSON TOTAL							
OVERALL TOTAL							
NOTE: A FORM SHALL BE FILLED OUT FOR EACH CURRENCY.							
Details of real or legal persons shall be provided in one single form. FX amounts will continue to be delivered all at once. Total amounts of real and legal persons are requested for statistical purposes.							

