

Press Release on Additional Measures Taken against the Economic and Financial Impacts of the Coronavirus

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In its [press release dated 31 March 2020](#) on additional measures taken against the economic and financial impacts of the coronavirus outbreak, the Central Bank of the Republic of Turkey (CBRT) announced that the outright purchase operations under the Open Market Operations (OMO) portfolio, which are conducted within the limits identified in the Monetary and Exchange Rate Policy for 2020 text, could be carried out in a front-loaded manner and that these limits might be revised depending on market conditions. Moreover, the Bank also noted that purchases, made as part of the facility offered temporarily to Primary Dealer banks to sell the Government Domestic Debt Securities (GDDS) they had bought from the Unemployment Insurance Fund to the CBRT under the terms and limits set by the CBRT, would be considered outside the limits set for the OMO portfolio. Accordingly, to maintain market depth, strengthen the monetary policy transmission mechanism and support the Primary Dealership system, the CBRT has taken the following additional measures:

1. The maximum limit for the ratio of the OMO portfolio nominal size to the CBRT analytical balance sheet total assets, set at 5% for 2020 in the Monetary and Exchange Rate Policy for 2020 text, has been revised to 10%.
2. To further support the Primary Dealership system considering its contributions to the deepening of financial markets and to the effectiveness of the monetary policy transmission mechanism, the facility offered to Primary Dealer (PD) banks to sell GDDS to the CBRT has been revised. Accordingly the CBRT has decided that;
 - a. The limits offered to PD banks for outright sales of GDDS to the CBRT will be applied independent of the repo transaction limits and that PD banks will be offered a GDDS selling limit that is equal to the repo transaction limits,
 - b. The related purchases will also be carried out within the total maximum limit of 10% set for the OMO portfolio,
 - c. The GDDS to be purchased and the amount of purchases will be determined by the CBRT, and
 - d. Purchases will be conducted via the quantity auction method.

Contact

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