

Press Release on Reserve Requirements

24 February 2021

No: 2021-10

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.

In the “Monetary and Exchange Rate Policy for 2021” text, it is stated that reserve requirement ratios will be used as an instrument to support the monetary stance and the monetary transmission mechanism in pursuit of the price stability objective within a plain framework.

Accordingly:

- Turkish lira reserve requirement ratios have been increased by 200 basis points for all liability types and maturity brackets.
- The upper limit of the facility for holding FX has been decreased from 30% to 20% of Turkish lira reserve requirements.
- The upper limit of the facility for holding standard gold has been decreased from 20% to 15% of Turkish lira reserve requirements.

As a result of these changes, TL-denominated required reserves are expected to increase by approximately TRY 25 billion, while total required reserves in FX and gold are expected to decrease by USD 0.5 billion, should the reserve option utilization rates remain unchanged for the remaining tranches.

In addition, the remuneration rate applied to TL-denominated required reserves has been increased by 150 basis points to 13.5%.

These changes will be effective from the calculation date of 19 February 2021 with the maintenance period starting on 5 March 2021.

Contact

For further information, you may send an e-mail to basin@tcmb.gov.tr

Türkiye Cumhuriyet Merkez Bankası
(Central Bank of the Republic of Turkey)
Head Office
Hacı Bayram Mahallesi
İstiklal Caddesi 10 06050 Ulus Altındağ / Ankara
+90 (312) 507 50 00
www.tcmb.gov.tr