Overview

The pandemic that spread across the globe in the first quarter of 2020 led to a significant contraction in the global economic activity along with rising uncertainties. Prompt and effective measures introduced by the central banks and fiscal authorities in advanced and emerging economies (EMEs) contributed to maintaining global financial stability. Central banks mostly preferred to retain their expansionary monetary policy stances in the current Report period. Reforms brought in after the Global Financial Crisis also underpinned the resilience of the financial system in this course.

The global economy started recovering following the gradual easing of social isolation measures around the world in May and June as well as the supportive policies implemented throughout the pandemic period. However, uncertainties about the course of the pandemic in the upcoming period, particularly the tightening room for monetary policy maneuver, the weak growth outlook, and high indebtedness constitute vulnerability risks for the global financial system. In the struggle with unfavorable impacts of the pandemic, it has become even more important that the existing gains from reforms in the aftermath of the Global Financial Crisis are upheld while at the same time national and international authorities decisively continue with their reform projects through strengthened cooperation.

In the third quarter of the year, economic activity in Turkey registered a strong recovery with the contribution of measures supporting domestic demand and employment that aimed to minimize the negative effects of the pandemic on economic activity. In the current Report period, with the pandemic assuming a milder course, pandemic-related economic policies were gradually phased out. While the economic recovery continues widespread across sectors, the partial continuation of global travel restrictions and limited mobility due to the pandemic are impeding the recovery in the services sector, especially in tourism activities. Despite the ongoing notable recovery in exports, the increase in import demand driven by a strong credit growth and gold demand strengthening with the dollarization trend, together with weak tourism revenues have expanded the current account deficit. The rebalancing in credit growth and monetary aggregates triggered by tapered tightening steps is expected to curb the current account deficit in the upcoming period.

While uncertainties about the effects of global economic policies are lower, financial market volatilities remain above their long-term averages. In the period ahead, the likely improvement in global liquidity conditions and risk appetite, due to expansionary monetary policies implemented by advanced economies, may prove to be favorable for portfolio flows into EMEs as well as EME risk premia. In this period, Turkey's risk premium and exchange rate volatility increased also due to country-specific factors. The slowdown in monetary aggregates and credit growth rates due to the tight monetary policy stance focusing on price stability, and the coordinated steps taken in other economic policies may lower risk premia by supporting macrofinancial stability.

Measures and incentivized credit schemes introduced in the second quarter of 2020 supported the liquidity need of individuals who incurred income losses and the working capital need of firms that faced slowdown in business activities. Following these steps, the total annual loan growth adjusted for exchange rate (FX adjusted) accelerated and rose from 17% in May to 25% in August 2020. Starting in August, in consideration of the inflation and external balance effects of the the fast recovery seen in economic activity led by the strong credit growth, gradual tightening steps were taken in monetary policy. In line with the price stability objective, a monetary tightening was conducted, where the one-week repo rate, the main policy tool of the CBRT, was significantly raised in September and November; in November, to support policy transparency, predictability and improve monetary policy effectiveness, the operational framework of liquidity management was revised with the decision to provide all funding at the CBRT policy rate rate. In addition to the marked tightening in monetary policy, further policy steps were taken to rebalance the credit market, including changes in regulations on the asset ratio and the maturities of consumer loans. These actions had a swift impact on loans, and the annualized rate of 13-week FX-adjusted commercial loan growth, which was above 50% in June, dropped to 10% by September. The tightening in monetary policy coupled with coordinated policy steps from the BRSA are considered to be positive factors in the deceleration of total credit impulse and the effective functioning of the transmission mechanism.

The corporate sector's financial debt to GDP ratio (financial indebtedness ratio), which accounts for domestic and external loans and bond issues, rose by 13 points from 56% in January 2020 to 69% in August. The rise in the corporate sector's indebtedness in this period was marked by the increase in incentivized credit scheme utilized to mitigate the implications of the pandemic. The ongoing reduction in FX debt of the corporate sector from 2018 onwards continued, and FX liabilities including import payables receded from USD 307 billion as of August 2019 to USD 295 billion in August 2000. While the decline in the corporate sector's FX indebtedness could have exerted pressure on exchange rates, it also greatly alleviated the sector's vulnerability to exchange rate volatility. Meanwhile, FX financial indebtedness ratio increased by 2.1 percentage points year-on-year to 39% in August 2020 on the back of the increase in exchange rates, despite the ongoing deleveraging. Nonetheless, the corporate sector total financial indebtedness ratio still hovers well below the global average. The tightening in financial conditions observed as of August is expected to limit the corporate sector's indebtedness ratios in the period ahead.

Household financial liabilities grew slightly higher than household financial assets due to credit campaigns in the pandemic period. The household financial leverage ratio, which has been on the decline in recent years, flattened at 36% during the pandemic. On the other hand, the household debt to GDP ratio in Turkey, which is around 15%, still hovers well below the EME average.

The widespread restructuring in loans and postponing of installments in this period contributed to individuals' debt service capacities as well as firms' cash flow cycles, supporting the asset quality outlook of the banking sector. Moreover, the BRSA decision to extend the classification periods into Stage 2 loans and NPLs curbed switches into NPL accounts as well as the pandemic-driven additional deteriorations in the asset quality and the credit risk outlook. As a result, in the current Report period, the NPL balance remained relatively stable. The surge in loans accompanied by the fast rebound in economic activity stimulated the volume of performing loans, thus pulling the NPL ratio down to 4.1% in September 2020. The improvement in asset quality indicators was observed in all loan categories as loans posted an increase across all scales and types. In the upcoming period the potential course of the pandemic-driven uncertainty and volatilities coupled with the effects of funding facility and financial conditions on loan growth and economic activity are expected to shape the sector's credit risk outlook.

The NPL ratio could assume an upward trend in the period ahead due to the course of the amendment on the classifications of loans as Stage 2 and NPLs, together with the approaching maturities of restructured loans or loans with postponed installments, and the deceleration in loan growth rate. At the same time, the fast rebound in economy is expected to keep the increase in NPL at reasonable levels.

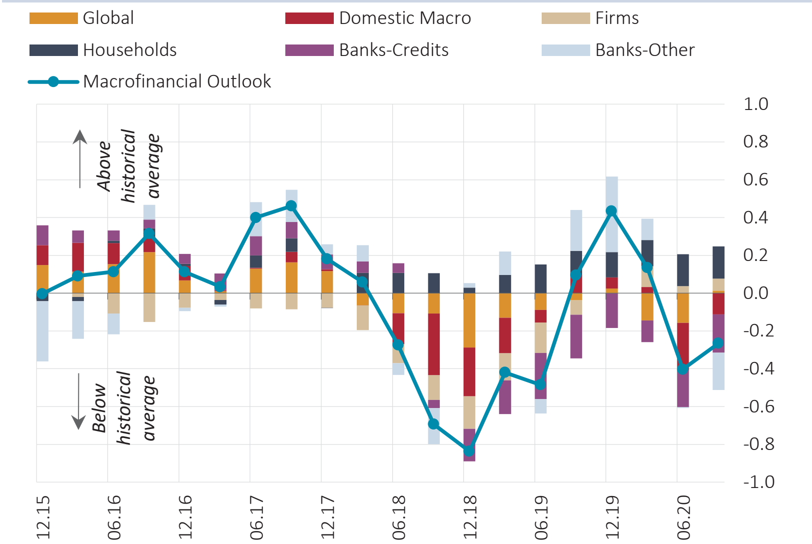
As the surge in loans was supported by deposit growth, the sector's loan to deposit ratio (LDR) remained flat at 99% in October 2020. Loan growth has recently become more pronounced on the TL side, pushing the TL LDR upwards. The weak course of FX loan preference and stronger FX deposits caused a slight decline in the FX LDR. In October 2020, TL and FX LDR stood at 149% and 57%, respectively.

The banking sector's external debt rollover ratio remained high also in the current Report period after the repayment-intensive months of April and May, and stood at 103% as of September 2020. Recently, in addition to syndicated loans, the long-term financing from international development and investment banks has supported the funding conditions of the sector.

Profitability indicators of the banking sector have remained partially flat in the current Report period. Effects of the pandemic on financial markets led to short-term fluctuations in profitability. The recent rate hike has rapidly passed through into average deposit pricing due to the sector's maturity structure, which may exert a downward pressure on profitability in an environment of slowing loan growth. On the other hand, provisions prudently earmarked by banks may restrain the NPL-driven pressures on profitability, while regulations reducing the banking system's intermediation costs will prop up the system's profitability.

The capital structure of the banking sector remains strong. A significant increase was observed in the capital adequacy ratio (CAR) in the March-May 2020 period. This is attributable to the regulations governing the calculation of CAR, as well as the capital support provided to state banks. Despite a slight decline due to the acceleration in the credit market, the banking CAR flattened out in response to the slow down in loans.

Chart I.1: Macrofinancial Outlook Index (Standardized Index and Contributions)



Note: For details of the index, see November 2019 Financial Stability Report, Box I.1.II

The Macrofinancial Outlook Index constructed using key indicators from the sections of the Financial Stability Report declined in the first two quarters of 2020, and while registering a limited increase in the third quarter still remains below its long-term average (Chart I.1). Supportive policy steps and incentives limited the decline seen in the macrofinancial outlook as it was followed by a modest rise in the third quarter due to lagged effects. Global financial conditions in this period remained more supportive compared to the first half of the year and while the domestic macroeconomic environment improved amid recovering economic activity, macrofinancial risks continued to be important with the recovery's impact on inflation and current account balance outlook. In the upcoming period the tight monetary policy focused on price stability and coordinated policies of relevant authorities may limit risks towards macrofinancial stability.

Box I.1.I

Steps Taken Towards Effective Functioning of Financial Markets

The coronavirus pandemic weakened the global growth outlook, corporate and household cash flows deteriorated, and a liquidity crunch emerged in domestic and global markets. As a result, many developed and developing country authorities took measures to support economic activity and macrofinancial stability.

The monetary and fiscal measures implemented recently to contain the adverse effects of the pandemic on the Turkish economy have supported the production potential of the economy and contributed to financial stability as well as the recovery in economic activity. As the recovery gained pace and the measures in place had negative side effects on internal and external economic balances, the policy measures geared towards the economic effects of the pandemic started to be phased out in the third quarter of the year.

Under main headings, this box summarizes the measures and regulatory steps taken in the current Report period to support financial stability and contribute to the effective functioning of markets (Table I.1.I.1).

Table I.1.I.1 Major Measures and Regulations for Financial Markets

CBRT Steps on Interest Rates and Liquidity Measures	
Effective Date	**Measure / Regulation**
18 June 2020	The discount interest rates applied to rediscount transactions for promissory notes and advance transactions with a maximum three-month maturity were reduced by 375 bps to 9% and 10%, respectively.
6 August 2020	The CBRT announced that the targeted additional liquidity facilities would be phased out.
10 August 2020	Liquidity limits offered to Primary Dealers (PD) in the framework of OMOs were halved.
12 August 2020	Liquidity limits offered to PD in the framework of OMOs were reduced to zero.
17 August 2020	In the framework of the tightening steps taken under liquidity management, repo auctions of TRY 10 billion each were conducted on 17-24 August via the traditional auction method.
19 August 2020	Banks' borrowing limits at the CBRT Interbank Money Market were halved for overnight transactions.
24 August 2020	The CBRT announced that traditional repo auctions might continue on the days deemed necessary, and details regarding auctions would be shared through data vendors, and due to the increased share of traditional repo auctions within the scope of the liquidity management, the amount of funding provided by the CBRT through Borsa Istanbul repo markets may be reduced on the days deemed necessary.
24 September 2020	The CBRT raised the policy rate (one-week repo auction rate) to 10.25% from 8.25%.
9 October 2020	The CBRT raised the TL interest rate applied to swap transactions to 11.75% from 10.25%
3 November 2020	Banks' borrowing limits at the CBRT Interbank Money Market were reduced to zero and overnight repo transactions held via the quotation method against TL-denominated lease certificates in the scope of OMOs were suspended.
3 November 2020	The CBRT raised the TL interest rate applied to swap transactions to 13.25% from 11.75%.
19 November 2020	The CBRT raised the policy rate (one-week repo auction rate) to 15% from 10.25%.
20 November 2020	To simplify the operational framework of the monetary policy, the CBRT decided provide the funding that it had been offering via traditional method repo auctions with one-month maturity and late liquidity window facilities via quantity repo auctions with one-week maturity, which is the principal monetary policy tool of the Bank. It also decided to set the overnight lending interest rate as the policy rate of 15% during the one-week period ending on 26 November 2020.
20 November 2020	The CBRT raised the TL interest rate applied to swap transactions to 15% from 13.25%.

25 November 2020	The amount of total undue CBRT swap positions conducted via TL currency swap auctions was raised to 60% from 50% of the Foreign Exchange and Banknotes Markets transaction limits.
Reserve Requirements (RRs)[1]	
Effective Date	Measure / Regulation
26 June 2020 - 8 January 2021	To provide banks with flexibility in meeting the loan demand specific to this period, the CBRT decided to suspend until the year end the enforcement of the rule of having adjusted real loan growth rate below 15% for the banks with a real annual loan growth rate above 15% in order to be able to benefit from reserve requirement incentives.
10 July 2020	The remuneration rate to be applied to the RRs maintained in TL was reduced to 7% from 8% for banks fulfilling the annual real credit2 growth condition, and the ratio applicable to the banks that do not fulfill the conditions was kept unchanged at 0%.
24 July 2020	To support financial stability, the CBRT increased FX reserve requirement ratios by 300 bps in all liability types and maturity brackets for all banks.
4 September 2020	FX RR ratios for banks fulfilling the real credit growth conditions were raised by 700 bps for precious metal deposit accounts and by 200 bps for all other liabilities, for all maturity brackets. Additionally, in line with the recent steps taken towards the Turkish lira liquidity management, for banks fulfilling the real credit growth conditions: TL RR ratios were increased by 200 bps for all deposits / participation funds liabilities with a maturity up to 6 months and other liabilities with a maturity up to 1 year, and by 150 bps for other liabilities with a maturity up to 3 years.
16 October 2020	The remuneration rate to be applied to the RRs maintained in TL was raised to 9% from 7% for banks fulfilling the annual real credit growth conditions, and the ratio applicable to the banks that do not fulfill the conditions was increased to 2% from 0%.
16 October 2020	The commission rate applied to the RRs maintained against USD-denominated deposit/participation fund liabilities was halved. Accordingly, the annual commission rates were set at 1.25% for USD-denominated deposit/participation fund liabilities and at 0.125% for non-USD deposit/participation fund liabilities.
Rediscount Credits for Export and Foreign Exchange Earning Services	
Effective Date	Measure / Regulation
5 June 2020	To support investments in selected sectors that are critical to our country, the TRY 20 billion-portion of the facility totaling TRY 60 billion, allocated for TL rediscount credits, was decided to be reallocated as advance loans against investment commitment. To be extended with a maximum maturity of 10 years and at a fixed rate that would be 150 bps lower than the CBRT policy rate –the one-week repo rate-, the maximum loan amount per firm was limited to TRY 400 million, excluding exceptional and featured investment projects.
Deposits / Participation Funds, Credit Cards and Payment Systems	
Effective Date	Measure / Regulation
2 June 2020	With its decision published in the Official Gazette No. 31143, the BRSA, considering the economic and social effects of the COVID-19 pandemic, extended until 15 September 2020 the day of application for all deposits, participation funds, bailments and receivables, which are at banks and not claimed by rightful owners or their heirs, and which are barred by prescription as of 2019. Accordingly, the deadline for transfer of such amounts along with the interest and profit shares to the Savings Deposit Insurance Fund (SDIF) was also extended until 30 September 2020.
9 June 2020	With its decision No. 9053, the BRSA extended the credit card instalment periods for airline companies, travel agencies and domestic accommodation expenditures to 18 months from 12 months.
26 June 2020	The Law No. 7247 Amending Certain Laws and Decrees with the Force of Law, published in the Official Gazette No. 31167, introduced an amendment to Article 76 of the Banking Law. Accordingly, contracts to be concluded with regard to banking activities will be executed in writing or at a distance or by electronic means determined by the BRSA to replace the written form and by means of methods that would enable the verification of customer identity. This amendment paved the way for signing of contracts using up-to-date technological and digital methods.
9 July 2020	With its decision No. 9093 as part of its measures to contain the economic effects of the COVID-19 pandemic, the BRSA increased the maximum credit card limit to TRY 2,000 from TRY 1,300 for credit card holders who are unable to declare their monthly or annual average income, or whose monthly or annual average income cannot be detected by banks. Additionally, the BRSA stated in the same decision that the provisions governing the closure of credit cards, the minimum payments

[1] Effective date denotes the starting day of the RR maintenance period.

	of which have not been made three times within one calendar year, may not be applied by credit card institutions until 31 December 2020.
21 August 2020	The Regulation on the Generation and Use of TR QR Code in Payment Services entered into force upon publication in the Official Gazette No. 31220. With this regulation, a standard QR code structure and a set of rules were established to enable interoperability by using a common language among payment system operators within the payments infrastructure ecosystem, support all sorts of initiatives from innovators, and contribute to the widespread acceptance of QR codes in the form of digital payments.
25 September 2020	The BRSA's amendments to the Regulation on Bank Cards and Credit Cards entered into force upon publication in the Official Gazette No. 31255. In addition to the definition-related amendments, the regulation also included arrangements regarding general transaction conditions for such cards, as well as credit card acquisition and limits. The regulation also determined a framework for drawing up credit contracts remotely (distance contract).
30 September 2020	The amendment on the withholding tax rates on the interest and dividends earned from TL deposit accounts and participation accounts took effect upon publication in the Official Gazette No. 31260. Accordingly, to be effective for a period limited to three months (until 31 December 2020), TL deposit rates will be applied as: (i) 5% (formerly 15%) for demand and notice deposit, and time deposit accounts up to (including) six-month maturity, (ii) 3% (formerly 12%) for time deposit accounts up to (including) one-year maturity, (iii) 0% (formerly 10%) for time deposits longer than one-year maturity, and (iv) 0% for time deposits longer than one-year-maturity subject to a variable interest rate depending on the inflation rate.
1 November 2020	The maximum interest rates for credit cards were decided to be determined through a rule-based method that is predictable and reflective of current market conditions. Accordingly, these rates will be based on the reference rate calculated by the CBRT in view of the banks' weighted average deposit rates as an indicator of the funding cost. In this context, the monthly maximum contractual interest rate will be: (i) Reference rate+55 bps for TL transactions, and (ii) TL maximum contractual rate*80% for FX transactions. Whereas, the monthly maximum overdue interest rate will be determined by adding 30 bps to maximum contractual rates for both TL and FX transactions.
12 November 2020	The CBRT has completed preparations for the introduction of a new retail payment system. Named the Instant and Continuous Transfer of Funds (FAST), the new system will allow fund holders to transfer money between their accounts at different banks within seconds on a 24/7 basis. The FAST System will be operational on 18 December 2020 as a pilot run and will gradually be put into service. The final aim is to cover all financial institutions in a short time.

Regulations Regarding Lending and Payment of Debts

Effective Date	Measure / Regulation
23 July 2020	As per a Presidential Decision published in the Official Gazette No. 31194, credit debts of pandemic-hit tradesmen and craftsmen that are due between 1 July and 30 September and outstanding as of 1 July due to the pandemic are postponed for three months keeping the number of instalments intact, without the need to apply and by accruing an interest thereon pursuant to the relevant legislation, provided that such business holders will not reduce the number of their employees during the postponement period.
4 September 2020	With its decision No. 9131, the BRSA decreased the maximum term of consumer loans to 36 months from 60 months, extended by banks pursuant to the Regulation on Credit Transactions of Banks and by financial leasing, factoring and financial companies pursuant to the Regulation on Establishment and Operating Principles of Financial Leasing, Factoring and Financing Companies.
16 October 2020	The Banks Association of Turkey (BAT) announced the launch of a "tourism support package" in the amount of TRY 10 billion under the guarantee of the Credit Guarantee Fund (KGF), to mitigate the fallout from the coronavirus pandemic and to support the retention of production and employment capacities. According to the announcement, the loans to be extended under this package must be issued before 1 November 2021 and will have a maturity of 48 months with a grace period of 12 months. The interest rate applicable within this scope will be 14.5% maximum for fixed rate loans, and TLREF + 200 bps for variable rate loans. The collateral upper limit per beneficiary will be TRY 32 million and the credit upper limit will be TRY 40 million.

26 October 2020	State-owned deposit banks announced the initiation of the “Micro Enterprises Support Package” geared towards SMEs. Accordingly, the KGF-backed loans with a maturity up to 48 months and at an annual interest rate of 11.5% were made available for enterprises with a turnover of up to TRY 3 million.

Classification of Loans and Receivables and Legal Ratio Limitations

Effective Date	Measure / Regulation
1 June 2020	With its decision of 29 May 2020 and No. 9042, the BRSA introduced the following arrangements: - Banks with a total deposit - excluding bank deposits- below TRY 25 billion as of 31 March 2020 are granted a period of extension to ensure compliance with the asset ratio (AR) Regulation until 31 December 2020, - The SME loans, project finance loans and export loans in the “Loans” item in the numerator of the AR will be weighted with a factor of 1.1 in the AR calculation, - Loans with a maturity below three months are excluded from the coverage of the “Loans” item in the calculation, -Banks’ TL repos undertaken with clients and the financing bonds they issue with a maturity less than six months will be included in the calculation of the “TL Deposit” item in the denominator of AR, -Banks’ FX repos with clients are included in the calculation of the “FX Deposits” item in the denominator of AR, -While calculating the denominator of AR, the coefficient of 1 will be applied to the “FX Deposits” item, for the portion up to the amount of FX loans. Whereas, the coefficient of 1.75 will be applied for the portion of this item exceeding the amount of FX loans.
1 August 2020	With the BRSA decision of 10 August 2020 and No. 9125: -The minimum AR is set at 95% for deposit banks and 75% for participation banks, -To convert all FX items included in the numerator and denominator of the AR to TL, the average rate of the CBRT foreign exchange buying rate of the previous calendar month will be used, -Funds made available to Real Estate Investment Funds and Venture Capital Investments Funds will be included in the “Securities” item in the numerator of the AR, - Of the funds that can be included in the “FX Deposits” item in the numerator of the AR, those obtained from non-resident real and legal persons will no longer be subject to the application of the coefficient 1.75.
1 October 2020	With the BRSA decision of 28 September 2020 and No. 9170, the minimum AR value is set at 90% for deposit banks and 70% for participation banks.
1 November 2020	With the BRSA decision of 26 October 2020 and No. 9238, concerning the loans extended by domestic banks to other domestic banks and taking into account the original maturities at the time of the use, those in FX with a maturity of more than one year will be included in the Loans” item in the numerator part of the AR with the factor of 1.00 in proportion to the loan amount directly extended, and syndicated loans will be included in the same item with the factor of 1.00 in proportion to the share of the lending bank in the syndication.
31 December 2020	The BRSA decision of 24 November 2020 and No. 9271 ceased the AR calculations.

Regulations on Derivative Transactions Engaged with Non-Residents

Effective Date	Measure / Regulation
28 July 2020	With the BRSA decision No. 9109, International Development Banks (IDBs) will be exempted from the restrictions on accessing TL imposed by the BRSA decisions of 12 April 2020 and 5 May 2020. Accordingly, the exemptions will apply on the condition that: - These banks extend the TL liquidity they obtain from the domestic market as credit to resident companies only in domestic markets, - They use such liquidity to buy TL securities, and - They ensure depositing of the excess TL liquidity in domestic banks, provided that they give a written declaration and undertaking to domestic banks, at which they open accounts, of such purpose and that they obtain the BRSA’s approval in benefiting from the exception.
6 August 2020	The BRSA exempted non-resident banks other than IDBs, from restrictions on the access to TL liquidity, imposed by its decisions of 12 April 2020 and 5 May 2020. Accordingly, provided that such banks give a written declaration and undertaking to domestic banks, at which they have opened accounts, that they will keep TL liquidity provided from domestic market and use this liquidity to buy TL securities and deposit excess TL liquidity into domestic banks, and that their application to the BRSA to benefit from the exemption is accepted, the scope of the exemption will cover these banks’:

	- Currency swaps at maturity, - TL buying transactions at maturity in the scope of currency swaps with the BIST FX Swap Market, - Repo and reverse repo transactions with the BIST Repo Market, and - TL deposit transactions engaged with domestic banks.
25 September 2020	The BRSA increased the limits it imposed on 12 April 2020 in relation to the ratios of banks' currency swaps, forwards, options and other similar derivative transactions with non-residents to the capital, where banks buy TL and sell TL at maturity, to 10% for transactions of TL buying at maturity, and to 2%, 5% and 20% for TL selling transactions with 7 days, 30 days and 1 year to maturity, respectively.
11 November 2020	The BRSA raised the ratio of banks' currency swaps, forwards, options and other similar derivative transactions with non-residents to the capital, involving TL selling at maturity, to 5%, 10% and 30% for TL selling transactions with 7 days, 30 days and 1 year to maturity, respectively.

Other Regulations

Effective Date	Measure / Regulation
2 June 2020	With the Capital Markets Board of Turkey (CMB) decision No. 33/673, the following principles are introduced regarding hedge (FX) funds: -FX debt securities issued abroad by the Ministry of Treasury and Finance and domestic issuers, as well as lease certificates can be included in hedge (FX) fund portfolios through purchase only when they are being issued for the first time. These securities cannot be included in fund portfolios through buying transactions on secondary markets abroad. -The sum of FX debt securities and lease certificates by the Ministry of Treasury and Finance and domestic issuers abroad included in hedge (FX) funds cannot exceed 30% of the total fund value. -No maximum investment limit will apply to debt securities and lease certificates issued in the domestic market by the Ministry of Treasury and Finance included in the hedge (FX) fund portfolios. -Foreign assets and transactions can be included in the hedge (FX) funds portfolio only in a maximum ratio of 3% of the total fund value.
3 June 2020	According to a Presidential Decree published in the Official Gazette No. 31144, the withholding rate applicable to the earnings of hedge (FX) funds on portfolio management was determined as 15% (previously 0%).
13 June 2020	According to a CMB decision, the issuance limit of Mortgage Financing Institutions became independent of their capital. Additionally, it was decided that the Board will not charge the issuance of debt securities by these institutions until the end of 2021 and that half of the relevant charges will be applied afterwards.
1 July 2020	The CMB lifts the short selling ban for stocks in the BIST-30 index.
8 August 2020	With a Presidential Decree published in the Official Gazette No. 31207, foreign exchange sales to non-resident organizations that engage in at least one of the activities accepted as a financial institution activity as per the Banking Law are included among the transactions that will be exempted from the 1%-tax, charged over the sales amount in foreign exchange transactions.
30 September 2020	With a Presidential Decision published in the Official Gazette No. 31260, the Banking and Insurance Transactions Tax (BITT) on foreign exchange transactions was reduced to 2 per thousand from 1%.