

Press Release on Macroprudential Framework and Liquidity Steps

23 May 2024

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The Central Bank of the Republic of Türkiye has taken the following measures in order to preserve macrofinancial stability, support the monetary transmission mechanism, and sterilize excess liquidity:

- Reserve requirement ratios for Turkish lira deposits and FX-protected deposits (KKM accounts) have been increased as shown below and required reserves shall be maintained as of 24 May 2024.

	Previous Ratio	New Ratio
Short-term Turkish lira deposits ¹	8%	12%
Long-term Turkish lira deposits ²	0%	8%
Short-term KKM ³	25%	33%
Long-term KKM ⁴	10%	22%

- The following changes have been made regarding the remuneration and commission practices for reserve requirements:
 - The target for transition from KKM to Turkish lira has been retained, and the total target* including renewal has been reduced to 75%.
 - As of the next calculation date, legal persons' KKM accounts, as well as legal and real persons' YUVAM (Deposit and Participation Scheme for Non-Resident Turkish Citizens) accounts will be excluded from calculation of the total target,
 - The remuneration rate applied to reserve requirements maintained for KKM accounts when the total target is achieved has been decreased to 40% of the policy rate.

¹ Turkish lira deposits/participation funds (excluding deposits/participation funds obtained from banks abroad) – Demand, notice, with maturities up to 1 month and up to (and including) 3 months

² Turkish lira deposits/participation funds (excluding deposits/participation funds obtained from banks abroad) with maturities up to 6 months, up to 1 year, 1 year and longer than 1 year

³ Accounts provided with exchange rate/ price protection by the CBRT with maturities up to (and including) 6 months

⁴ Accounts provided with exchange rate/ price protection by the CBRT with maturities up to 1 year, 1 year and longer than 1 year

* Renewal and transition to Turkish lira

- A monthly growth limit of 2% has been introduced for foreign currency loans, and it has been decided that Turkish lira required reserves amounting to loans exceeding the limit will be blocked for one year.

The decision regarding reserve requirement ratios will be published in Official Gazette and implementation instructions regarding other decisions will be sent to banks.

Contact

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