



BANKING
REGULATION AND
SUPERVISION AGENCY

PRESS RELEASE

28/07/2020

As a result of the evaluations made, with the Board Decision dated 28.07.2020 and numbered 9190 it has been decided to

- Clarify that the exemption brought by the aforementioned Board Decision numbered 9031 dated 20.05.2020 for Foreign Central Clearing Institutions (FCCI) to be determined by Banking Regulation and Supervision Agency is limited only to the clearing activities of securities denominated in Turkish Liras carried out at home or abroad; and to exempt the swap transactions with TL purchase in maturity of them (where in the first leg of the swap transaction, FCCI receives TL in exchange for foreign currency) carried out with the domestic bank reported as the account operator in the over-the-counter or in BIST FX swap market and short term funding operations of them to be made to the TL accounts owned by foreign residents, provided that it is limited to the clearing activities of securities denominated in Turkish Liras issued by domestic and foreign residents from restrictions on access to Turkish Liras imposed by Board Decisions mentioned above.
- Exempt financing transactions of International Development Banks (IDB), to be provided from domestic banks to them via FX swap, TL placement, TL deposit and repo that will be performed only under the following conditions and provided that they invest in domestic money and capital markets and they extend loans to Turkish companies and from restrictions on access to Turkish Liras imposed by Board Decisions mentioned above.

In this context, provided that;

- International Development Banks (IDB) give a written declaration and commitment to the domestic banks in which they have opened accounts that they will keep TL liquidity (funds) provided from domestic market and to use this TL liquidity to: extend loans to domestic companies, buy TL securities and to deposit excess TL liquidity to domestic banks, and
- that their application to Banking Regulation and Supervision Agency to benefit from above mentioned exemption is accepted,

International Development Banks' (IDB) financing transactions with domestic banks, via TL accounts to be opened in domestic banks, within the scope of exemption, are as follows:

- Currency Swaps with Türkiye Kalkınma ve Yatırım Bankası (TYKB) where TYKB sells TRY and buys FX in the beginning, while buys TRY and buy FX at forward,
- Currency Swaps with BIST FX Swap Market where the International Development Banks (IDB) buy TRY and sell FX in the beginning of the swap,
- Repo and Reverse Repo transactions within BIST Repo Market,
- TRY deposits at domestic banks

Respectfully announced to the public.