

Legislative amendments to Turkish banking regulations

March 2021



Dear Clients, Colleagues and Friends,

Two new legislative amendments have been recently introduced to Turkish banking regulations.

1) The Communiqué (No: 2021/13) amending the Communiqué (No: 2020/4) on Procedures and Principles Concerning Fees Chargeable by Banks to Commercial Customers (the “**Amendment Communiqué**”), has been published in the Official Gazette dated 1 March 2021 and numbered 31410 and applies for the loans provided by Turkish banks after 1 March 2021. The Amendment Communiqué,

a) has revised the cap of loan utilisation fee to be charged by Turkish banks to commercial customers as 1.10% of the relevant loan amount to be utilised. Prior to the Amendment Communiqué, such cap was set as 1% of the loan amount, and

b) has introduced a new calculation method for prepayment fees to be charged by Turkish banks to commercial customers for loans to be fully repaid. Prior to the Amendment Communiqué, such fee was capped at 1% for loans with remaining maturity of less than 24 months and 2% for loans with remaining maturity of more than 24 months. Amendment Communiqué sets forth that; (i) for loans with remaining maturity of less than 24 months, such fee will be capped at 2% and (ii) for loans with remaining maturity of more than 24 months, 1% can be added for each year that exceeds 24 months.

2) The Regulation amending the Regulation on Procedures and Principles Concerning Supervision of Transactions Affecting the Foreign Exchange Position by the Central Bank of Republic of Turkey (the “**Amendment Regulation**”) has been published in the Official Gazette dated 24 February 2021 and numbered 31405. The Amendment Regulation,

a) has introduced a requirement to notify on monthly basis the Central Bank of Turkey (the “**Central Bank**”) for borrowers, whose credit balance of foreign exchange loans and foreign exchange indexed loans utilised from within or outside of Turkey equals to or exceeds USD 15 million on the last business day of the relevant month (“**Notifying Borrowers**”). Notifying Borrowers should notify the Central Bank by the last day of the following month. Prior to the Amendment Regulation, such notifications were made quarterly,

b) has abolished the provisions concerning independent audit. Notifying Borrowers are no longer required to have an independent audit for their notifications to the Central Bank and enter into independent audit agreements in this respect. Other legislation which sets forth the independent audit criteria for companies is reserved, and

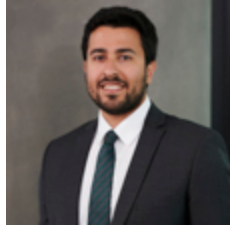
c) has regulated that, in line with paragraph (b) above, independent auditors can no longer be users of the of the Systemic Risk Data Monitoring System (the “**System**”), which has been established to monitor the foreign exchange position of Notifying Borrowers and as a result, the System should be used by Notifying Borrowers directly.

Please do not hesitate to contact us for any further information on this briefing.

Kind regards,



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