

## Turkey Amends Requirements for Central Bank Reserves

*13 Dec 2016*

Turkey's Central Bank has amended secondary legislation on the principles and procedures for reserves which it is required to hold. It introduced a new opportunity bracket and parameter for Turkish Lira obligations, allowing up to 5% of required reserves to be deposited as gold in frozen accounts, subject to certain requirements.

The Central Bank published the Communiqué number 2016/5 on Amendment of the Communiqué on Required Reserves with number 2013/15 ("**Communiqué**") in Official Gazette number 29865 on 22 October 2016, effective from 21 October 2016.

Notable provisions introduced by the Communiqué include:

- Maximum 5% of the required reserves to be kept for Turkish Lira obligations may be put in frozen accounts as standard gold, manufactured in total from in-country production or scrap gold over the amount, calculated by multiplying 0-5% of the opportunity bracket by the parameter of 1.0.
- The sections of the Turkish Lira equivalent to foreign currency and standard gold, converted according to the opportunity bracket above, exceeding the limits set forth under the Communiqué, will not be taken into account for calculation of required reserves.
- Standard gold in this context must be collected after 3 November 2016. Whether it is processed or converted into gold bars or bullion must be documented by a Refinery Registration Certificate.

Please see this [link](#) for the full text of the Communiqué (only available in Turkish).

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