

Turkish Banking Regulator Extends Energy Sector Credit Arrangements till End of 2016

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Turkey's Banking Regulation and Supervision Agency's ("**Agency**") has extended certain regulations for energy sector credits and receivables until 31 December 2016. The regulations address classification, rearrangement, and repayment of energy sector credits and receivables.

The Amending Regulation on Regulation Regarding Procedure and Principles on Specification of Credits by Banks and Other Receivables which will be Reserved for These ("**Amendment Regulation**") was published in Official Gazette number 29792 on 5 August 2016, entering into effect of the same date.

Under the Amendment Regulation, the following arrangements will now apply until 31 December 2016:

- Second tier credits and receivables in the energy sector can be stipulated up to two times under a new agreement.
- Energy sector credits and other receivables which are subject to a new agreement can be re-classified into the first tier, provided 10% of the total credit balance is re-paid.
- Energy sector credits and other receivables can be stipulated under new agreements into the third, fourth or fifth tiers.
- Any credits or receivable in the third, fourth or fifth tier, which are used other than in the energy sector, will also be classified in the same tier.
- Credits and other receivables can be restructured (including default interest) or be subject to a new repayment schedule up to three times. These arrangement can extend additional credit where repayment is not possible due to temporary liquidity shortage.

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

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