

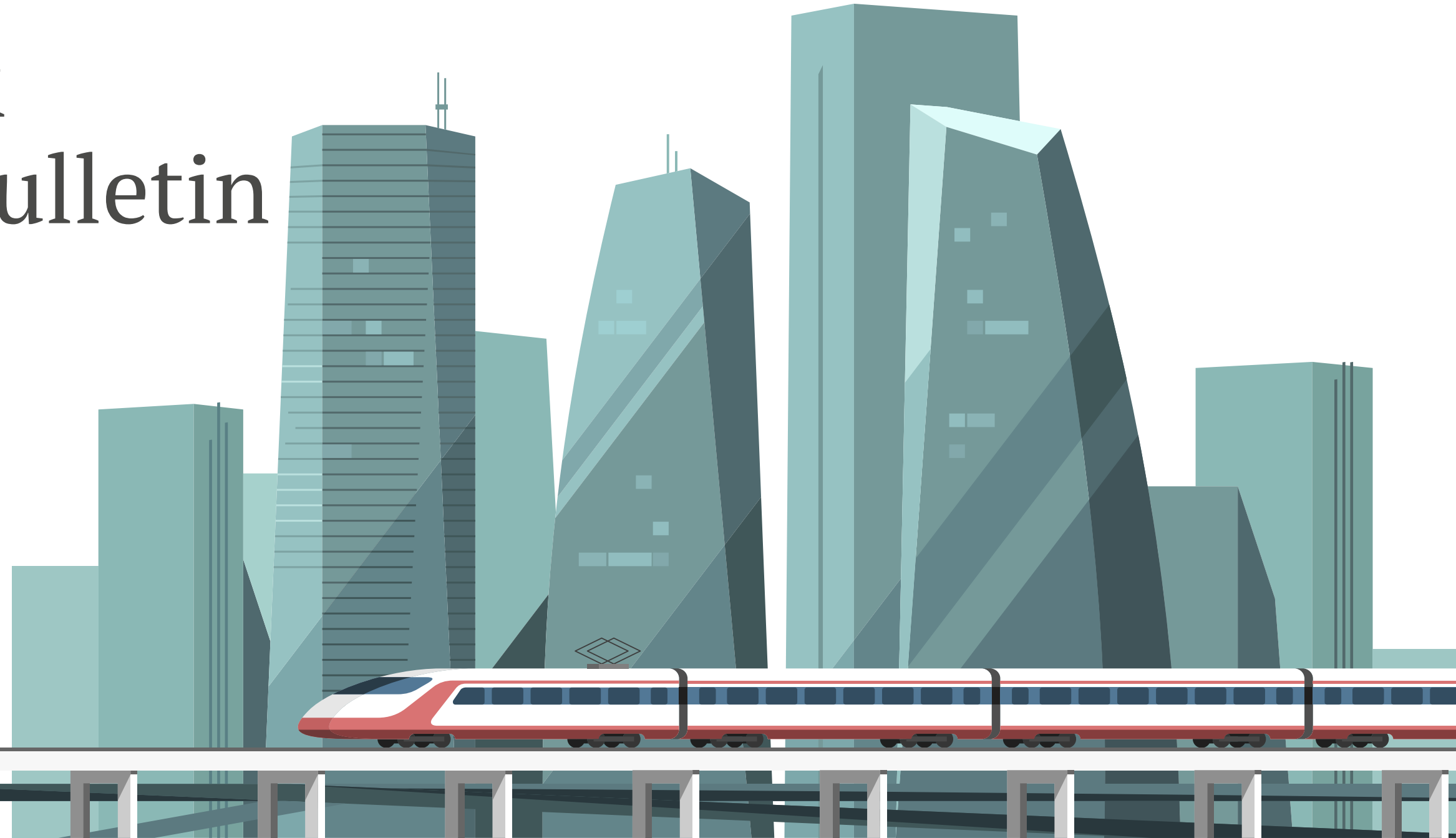
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Banking & Finance Bulletin



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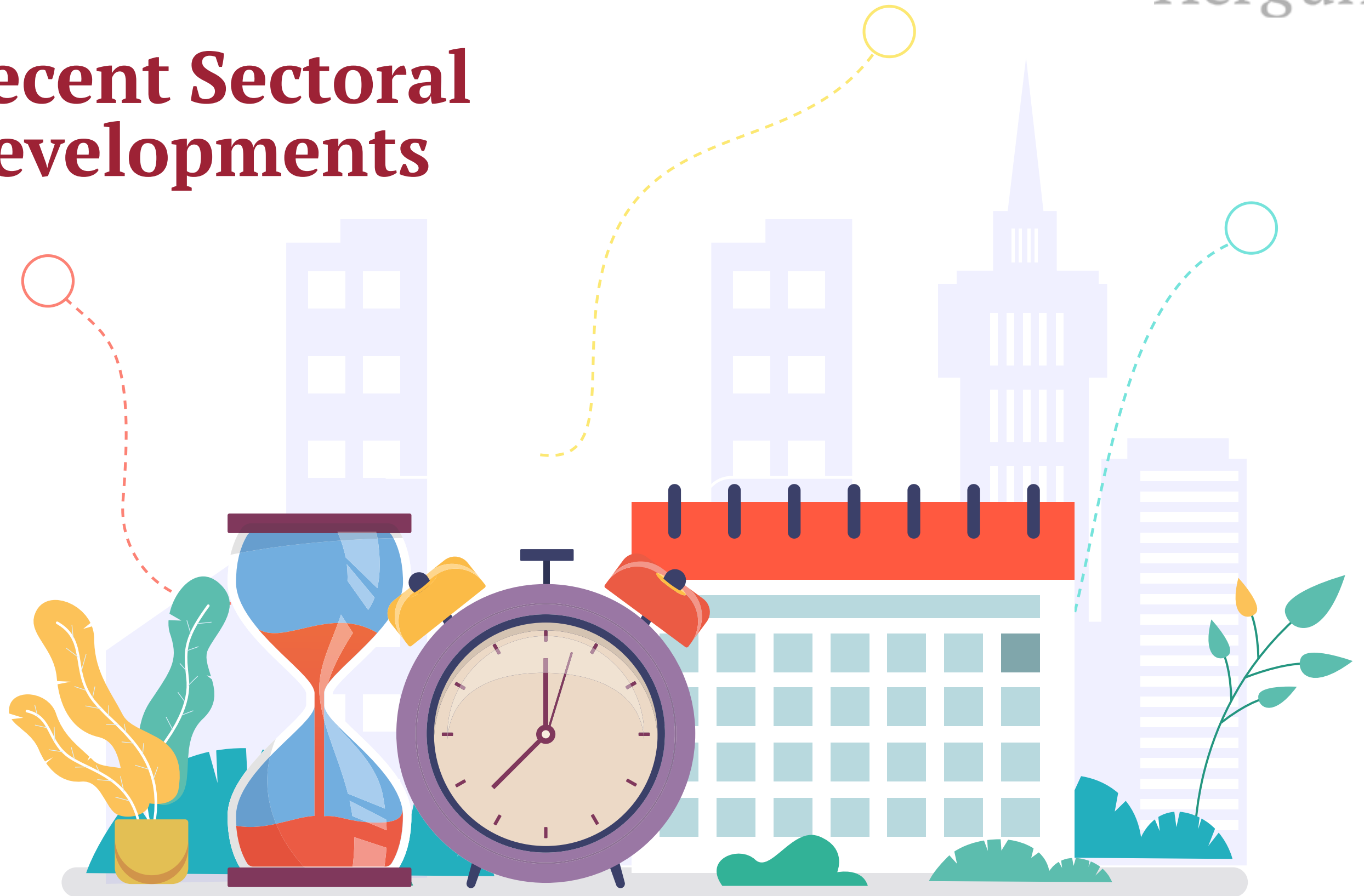
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A Recent Sectoral Developments



Amendments to Decree No. 32 on the Protection of the Value of Turkish Currency and Related Communiqués

With Presidential Decree No. 9595 published in the Official Gazette on 15 March 2025, amendments were made to Decree No. 32 on the Protection of the Value of Turkish Currency regarding precious metal transactions, derivative transactions, collateral practices, and Turkish lira that may be taken abroad. Some of the changes are as follows:

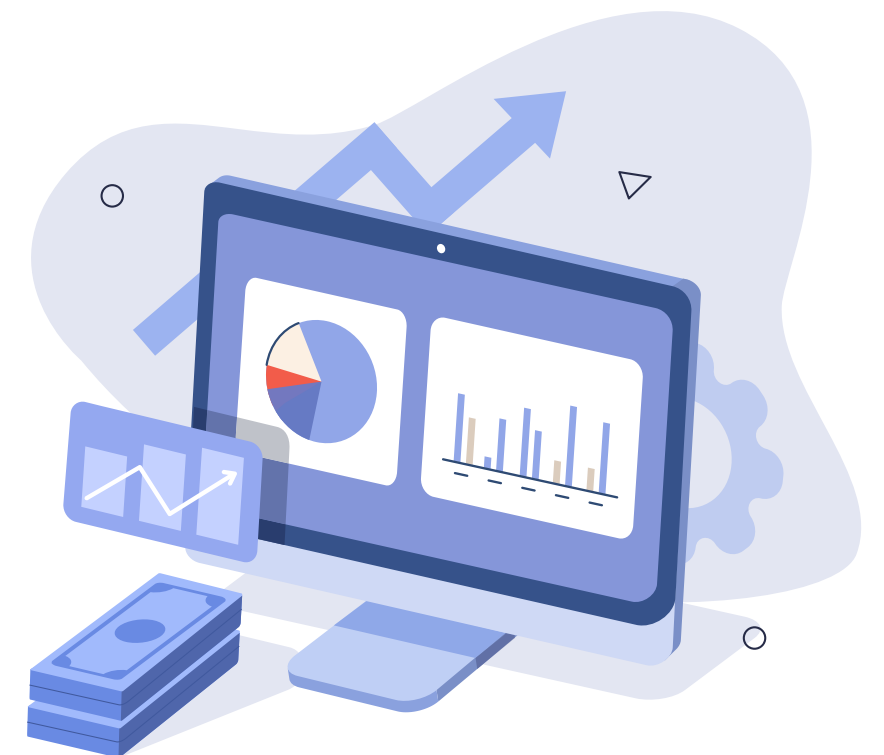
- With the amendment to Article 6 of Decree No. 32, forward transactions, option contracts, and other derivative instruments based on foreign currency and precious metals may now also be traded by banks.
- With the amendment to Article 18 of the Decree, flexibility has been introduced regarding collateral for loans in foreign currency or precious metals obtained domestically. From now on, the domestic group companies of a Turkish-resident company receiving

such a loan, or the real/legal person shareholders who directly hold shares in that company, may provide a guarantee or surety in foreign currency or precious metals for the relevant loan.

- Within the scope of Article 3 regarding the export of Turkish currency abroad, the upper limit for the amount of Turkish lira cash that may be taken abroad has been increased from TRY 25,000 to TRY 185,000.

The Ministry of Treasury and Finance of the Republic of Türkiye (“**MoTF**”) announced on 6 March 2025 that a key amendment to Communiqué No. 2008-32/34 under Decree No. 32 on the Protection of the Value of Turkish Currency now allows Turkish residents to denominate payment obligations under sale agreements for movable property, excluding vehicle sales, in foreign currency or FX-indexed terms. The announcement clarifies that the amendment

extends to security sale agreements and invoices for which payment remains outstanding, and permits settlement in either Turkish lira or foreign currency, subject to mutual agreement. The move is framed as a measure aimed at easing the foreign exchange burden on companies engaged in cross-border trade, smoothing the mechanics of commercial transactions, and dampening inflationary pressures across the broader economy.



Updated Discount Rate Applicable in Rediscount Transactions

As of 8 March 2025, the Central Bank of the Republic of Türkiye (“CBRT”) announced the annual discount interest rate to be applied in rediscount transactions based on bills with a maturity not exceeding three (3) months as 43.25%, and the interest rate to be applied in advance transactions as 44.25%.

A New Phase in the Digital Turkish Lira: R&D and Legal Framework by the CBRT

The CBRT, in a statement published within its official publication series, “Merkezin Güncesi,” announced that Phase-2 has been initiated in the Digital Turkish Lira Project and that R&D activities are ongoing. In this context, the focus is on usage models that do not require a bank account, system architectures operating independently from existing payment infrastructures, and programmable digital money designs.

With the transition to Phase-3, the completion of comprehensive pilot tests and preparations for the limited circulation of the Digital Turkish Lira are expected. The CBRT’s approach in this area points to both independent and redundant systems on the technology side and a sustainable transformation within the financial system.

Foreign Exchange Sale Requirement for Export Proceeds Reduced to 25%

The CBRT reduced the obligation ratio for the sale of export proceeds to the CBRT in foreign exchange from 30% to 25% as of February 2025. The ratio, which had been increased from 25% to 40% in April 2022, was reduced to 30% in June 2024. With this change, which entered into force as of February 2025, the Export Circular and the Invisible Transactions Circular have been updated once again.

CBRT Signs Memorandum of Understanding with the State Bank of Pakistan

A Memorandum of Understanding was signed between the CBRT and the State Bank of Pakistan on 13 February 2025 to lay the groundwork for enhancing cooperation on central banking matters. The agreement aims to strengthen cooperation between the two central banks and to facilitate technical studies in the field of central banking.

Opening and Renewal of FX-Protected Deposit Accounts by Legal Entities Terminated

CBRT announcement No. 2025-12, dated 15 February 2025, announced that as of 15 February 2025, the opening of new accounts and the renewal of existing accounts by legal entities under all FX-Protected Deposit (“KKM”) accounts, including YUVAM accounts, will be terminated.

Implementation Guide on Financial Reporting in Hyperinflationary Economies Updated

The Public Oversight, Accounting, and Auditing Standards Authority has updated its Implementation Guide on Financial Reporting in Hyperinflationary Economies.

With this update, a new sample disclosure has been added for companies adjusting their financial statements for inflation effects under TMS 29 or BOBİ FRS Section 25. In line with the Board Resolution dated 26 October 2024, the update aims to guide practitioners through an example on how to present footnote disclosures regarding the Net Monetary Position Gains (or Losses) item.

The example regarding the presentation of footnote disclosures for the Net Monetary Position Gains (Losses) item can be accessed [here](#).

The updated version of the guide can be accessed [here](#).

New AML Compliance Regime for Online Marketplaces

As of 25 February 2025, a new regulation by Türkiye’s Financial Crimes Investigation Board (“MASAK”) designates medium, large, and very large online marketplaces (electronic commerce intermediary service providers) as “obliged parties” for the first time. Under this regime, marketplaces are now responsible for verifying seller identities and tracking transactions. This includes confirming tax and trade registry records. Subject to certain conditions, such as payments processed through banks and identity verification via official databases, simplified, signature-free identity checks may be conducted electronically. The move marks a significant step in integrating e-commerce platforms into Türkiye’s anti-money laundering framework.



B Fintech Sector



New Framework in Open Banking and Digital Wallets: Obligations Redefined Based on Service Profile

With the regulation of the CBRT published in the Official Gazette dated 28 March 2025, open banking infrastructure obligations for payment service providers have been comprehensively redefined. Accordingly, only service providers that hold payment accounts under their own name and provide their customers with online access to those accounts will be obliged to share the open banking infrastructure with other authorized providers. This obligation will be applied gradually, not only based on technical capability but also depending on the provider's weight in the sector. All institutions participating in the FAST system will be considered directly subject to this obligation, whereas institutions not participating in FAST will only be subject if they ranked in the top 10 in payment volume in the previous year. The transition period has been extended until 31 December 2025, and an additional six-month compliance period has been provided for those who become subject to the obligation later.

On the other hand, the application deadline for digital wallet providers without an operating license has been extended for a second time to 31 December 2025. This date is also the final deadline for currently licensed providers to comply with the new technical and operational requirements introduced by the CBRT in 2023 and 2024.

Türkiye Fintech Ecosystem 2024 Report Published: New Records, New Regulations

The “Türkiye Fintech Ecosystem Status Report 2024” prepared by the Presidential Finance Office has been shared with the public. The report includes new regulations, investment figures, and strategic developments supporting the growth of the fintech sector.

Investment volume reached USD 194 million in 2024, marking a record, while the number of active fintech ventures rose to 901. As of December 2024, 89 electronic money and payment institutions had been granted licenses.

The crypto asset regulation, which entered into force in July 2024, stands out in the report. Within this scope, crypto asset service providers and crowdfunding platforms were included among the members of the Capital Markets Association. In addition, it was noted that new services such as “Secure Payment” and “Request to Pay” were launched within the FAST infrastructure.

Growth in the crowdfunding vertical drew attention: The number of platforms authorized by the Capital Markets Board (“CMB”) reached 18, and more than 43,000 investors were intermediated through these platforms.



Updated Minimum Equity Amounts for Payment and Electronic Money Institutions

With the Communiqué on the Redetermination of the Minimum Equity Amounts of Payment and Electronic Money Institutions published in the Official Gazette dated 30 January 2025, No. 32798, the CBRT increased the minimum equity obligations of payment and electronic money institutions. This regulation will enter into force on 30 June 2025.

Under the Communiqué:

- For payment institutions exclusively mediating bill payments, the minimum equity amount was increased from TRY 10 million to TRY 15 million,
- For other payment institutions (excluding those providing consolidated information on users' accounts held with different payment service providers), from TRY 20 million to TRY 30 million,
- For electronic money institutions, from TRY 55 million to TRY 80 million.

CBRT Conducts Supervision and Audit Activities Regarding Payment and Electronic Money Institutions in 2024

In its announcement dated 9 January 2025, No. 2025-03, the CBRT stated that it actively continued its audit activities in 2024 in order to ensure the secure and effective operation of payment and electronic money institutions. During this process, eight (8) institutions were granted operating licenses, seven (7) institutions were granted expansion of operations, and five (5) institutions were granted share transfer approvals, while one (1) institution's operation was temporarily suspended and one (1) institution's license was revoked.

As a result of the audits, a total fine of TRY 160.3 million was imposed on 55 institutions, and more than 280 inspections were conducted due to suspicion of unauthorized activity, with the identified violations reported to the Public Prosecutor's Offices.

In order to inform the public, the CBRT responded to 1,224 information requests regarding payment and electronic money institutions, payment services, and electronic money issuance.



C Capital Markets



All Eyes on Crypto Asset Service Providers: First Quarter MASAK and CMB Regulations

Following the framework regulations that entered into force on 7 July 2024, substantial amendments concerning cryptoasset service providers (“CASPs”) were implemented in the first quarter of 2025 through secondary regulations issued by the CMB and the MASAK.

MASAK Side: Travel Rule, Reliance on Third Parties, and Financial Institution Status

With the regulations dated 25 December 2024, CASPs were officially designated as “financial institutions,” and their obligations were tightened under Law No. 5549 on the Prevention of Laundering Proceeds of Crime and the relevant secondary legislation. In particular, under the “travel rule,” it has become mandatory that the identity and wallet information of both sender and receiver be maintained throughout the transfer process for transactions of TRY 15,000 and above. In addition, the obligation to register with the Electronic Notification System, use reliance mechanisms, and appoint a compliance officer has been introduced.

CMB Side: Licensing Requirements, Capital Adequacy, and Transition to a Rule-Based Regime for Listing

Pursuant to the CMB’s Communiqués III-35/B.1 and III-35/B.2 published in the Official Gazette dated 13 March 2025, obtaining a CMB license has become mandatory for CASPs to operate in Türkiye.

- **Capital requirement:** Minimum TRY 150 million for trading platforms, TRY 500 million for those offering custody services.
- **Structural obligations:** Debt/equity ratio, reserve reporting, 95% custody ratio, establishment of a listing committee, smart contract auditing, and integration with the Central Securities Depository and Trade Repository of Turkish Capital Markets.
- **Activity restrictions:** Receiving orders through social media has been banned; all transactions must now be conducted exclusively through official channels.

The CMB has also explicitly defined all promotional, marketing, and Turkish-language service activities carried out by foreign-based and unlicensed platforms targeting persons resident in Türkiye as “unauthorized activities.”

The Public Oversight Authority (“**KGK**”), in its announcement dated 19 December 2024, stated that crypto assets must be accounted for as “digital assets” within the scope of financial reporting and emphasized that they should not be considered as currency or securities.

While the deadline for obtaining an operating license has been set as 30 June 2025, regulations regarding reserve audits and internal system controls will enter into force in 2026.

A New Era in Taxation for REITs and Real Estate Investment Funds Began in 2025

As of 1 January 2025, the corporate tax exemption regime applicable to Real Estate Investment Trusts (“**REITs**”) and Real Estate Investment Funds (“**REIFs**”) has undergone a fundamental change. Tax exemptions, which were previously granted unconditionally, have now been made subject to specific conditions under the new regulation, and certain earnings have been subjected to a minimum tax burden.

Higher Withholding Rates on Investment Funds and Deposit Returns

As of February 2025, withholding tax rates on investment funds and deposit returns have increased. Under Presidential Decree No. 9487, published in the Official Gazette dated 1 February 2025, the withholding tax rate applicable to individual investors' income from investment funds, such as fixed income, precious metals, eurobond, and mixed funds, has been raised from 10% to 15%. For real estate and venture capital investment funds, dividend and capital gains on fund shares held for less than two years will now also be subject to a 15% tax. In contrast, equity-intensive funds holding at least 80% of their portfolio in Borsa İstanbul-listed Turkish equities will continue to benefit from a 0% withholding tax rate.

CMB Issues Temporary Measures on Short Selling, Buybacks, and Margin Requirements

The CMB has reintroduced temporary restrictions on short selling, eased share buyback procedures, and relaxed margin requirements in response to recent market volatility. Initially banned across Borsa İstanbul ("BIST") on 6 February 2023, short selling had been partially reallocated as of 2 January 2025 for BIST 50 stocks, pursuant to CMB Decision No. 62/1863. Borsa İstanbul later imposed an "up-tick rule" from 24 February to 21 March 2025, permitting short sales only at higher prices. However, the CMB reversed course with Decision No. 18/574, reinstating the short sale ban between 24 March and 25 April 2025. The same decision temporarily lowered the minimum margin requirements for leveraged capital market transactions.

In parallel, the CMB's Principle Decision i-SPK.22.9, dated 19 March 2025, allowed listed companies to initiate share buyback programs via board resolution alone, eliminating the need for general assembly approval. Key restrictions under the Share Buyback Communiqué (II-22.1), including the 10% capital cap and 25% daily trading volume limit, were suspended. Buybacks during capital increases are now only restricted in cash-funded issuances. Repurchased shares must be held for at least 30 days and disposed of within three years under "first-in, first-out" rules.

Numerical Thresholds of Groups of Listed Companies for 2025 Re-Determined

The CMB, through its Bulletin No. 2025/3 dated 16 January 2025, announced Board Decision No. 3/76, which updates the monetary thresholds under Article 5 of the Communiqué on Corporate Governance (II-17.1). These thresholds determine the grouping of companies for purposes of identifying and monitoring compliance with the mandatory corporate governance principles set forth in the Communiqué. According to the new regulation, the following thresholds have been determined:

- **Group One:** Companies with an average market value over TRY 12 billion and an average market value of shares in free float over TRY 3 billion. Previously, these thresholds were TRY 3 billion and TRY 750 million respectively.
- **Group Two:** Companies with an average market value over TRY 6 billion and an average market value of shares in free float over TRY 1.5 billion. Previously,

these thresholds were TRY 1 billion and TRY 250 million, respectively.

Pursuant to the relevant Board Decision, the CMB published the updated list of company groups for the year 2025, covering publicly-held companies traded on Borsa Istanbul's Star Market, Main Market, and Sub-Market, as well as those transferred to the Pre-Market Trading Platform due to a free float ratio falling below 5%. The full list can be accessed [here](#).

New Regulation on Inflation Accounting Practices

With its decision dated 25 January 2024, No. 6/137, the CMB determined the procedures to be followed by issuers considered subsidiaries, joint ventures, or associates, as well as capital market institutions, in cases where they cannot simultaneously or previously disclose their financial statements due to inflation accounting practices. According to the Board Decision dated 23 January 2025, No. 4/156, published in the 2025/4 bulletin, this regulation, based on the principles outlined in the Board Bulletin 2024/6, will apply to all annual and interim financial

statements until inflation accounting is terminated, including the financial period ending on 31 December 2024.

Repeal of Regulations and Principle Decisions Regarding Crypto Asset Service Providers

With the Communiqué on the Establishment and Operating Principles of Crypto Asset Service Providers (III-35/B.1) and the Communiqué on the Working Principles and Capital Adequacy of Crypto Asset Service Providers (III-35/B.2) published in the Official Gazette dated 13 March 2025, No. 32840, the following CMB Principle Decisions and related articles were repealed by the Board Decision dated 13 February 2025, No. 8/313:

1. Principle Decision i-SPK.35.B (dated 8 August 2024, No. 42/1259), and
2. Articles 1, 2, 3, 4, 5, 6, 8, 9, and 12 of Principle Decision i-SPK.35.B.1 (dated 19 September 2024, No. 48/1484)

Project-Based Real Estate Investment Funds (“P-REIFs”) Reach TRY 34 Billion in a Short Time

With the regulation that entered into force in July 2024, real estate investment funds have been allowed to invest not only in completed assets but also in ongoing construction projects. With this new model introduced by the CMB, it became possible to establish project-based funds, creating an important financing instrument in the sector.

Within the nine-month period since the regulation entered into force, a total of 33 P-REIFs have been granted establishment licenses. Of these, participation shares of 18 have been offered to investors, and the total size of just these funds has approached 34 billion TL. The issuance processes for 12 more P-REIFs are currently ongoing.



D Banks and Other Financial Institutions



Türkiye's New Architecture of Sustainable Finance: Structural Transformation in Banking, Reporting and Supervision

As of 2025, comprehensive regulations in the field of sustainable finance have entered into force under the coordination of the KGK and the Banking Regulation and Supervision Agency (“BRSA”).

TSRS: A New Era in Sustainability Reporting

With the Türkiye Sustainability Reporting Standards (“TSRS”) entering into force on 1 January 2024, reporting and independent assurance audits have become mandatory for large-scale companies. Some small-scale companies and Scope 3 emissions have been exempted.

Green Asset Ratio: Banks' ESG Scorecards

With the “Communiqué on the Calculation of Green Asset Ratios of Banks,” prepared by the BRSA and published in the Official Gazette dated 11 April 2025, banks' environmental impacts began to be measured through the “green asset ratio.” As of June 2025, regular reporting will become mandatory.

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Uninterrupted Compliance with Basel Standards

Türkiye has been declared “fully compliant” by the Basel Committee in the areas of LEX and NSFR regulations. With the guide that will enter into force in July 2025, a governance and process management framework has been set for banks regarding climate-related risks.

Abolishment of Board' Decisions Regarding Lending in Accordance with Purpose

The following Banking Regulation and Supervision Board Decisions imposing restrictions on Turkish lira-denominated cash commercial loans under Article 93 of the Banking Law No. 5411 have been abolished as of 6 February 2025:

- Board Decision dated 24 June 2022, No. 10250
- Board Decision dated 7 July 2022, No. 10265
- Board Decision dated 28 September 2022, No. 10348
- Board Decision dated 21 October 2022, No. 10389
- Board Decision dated 4 September 2023, No. 10659

The BRSA announced that the abolishment of the said resolutions was carried out within the scope of coordinated macroprudential simplification steps to strengthen financial stability and ensure the effective operation of the credit system.

Amendments to Consumer Loan Limits

The BRSA has decided to amend the general maturity limits of consumer loans. According to the decision, the limits for 12-, 24-, and 36-month maturity loans have been adjusted as follows:

- As of 13 February, the limit for 36-month maturity consumer loans has increased from TRY 50,000 to TRY 125,000.
- For 24-month maturity loans, the previous limits below TRY 50,000 and TRY 100,000 have changed to TRY 125,000 and TRY 250,000, respectively.
- The limit for 12-month maturity loans has increased from TRY 100,000 to TRY 250,000.

Amendments to Vehicle Loan Restrictions

The BRSA has made changes to the loan maturity periods and loan usage limits for electric vehicles manufactured in Türkiye.

The maturity periods applicable to electric vehicle purchases can be accessed [here](#). In addition to vehicle collateral, for vehicle loans used individually for the purpose of purchasing passenger cars or in financial leasing transactions, the ratio of the loan amount to the vehicle's value has also been re-regulated. The relevant ratios can be accessed [here](#). Furthermore, in case of restructuring the loans within the scope of this decision, the maturity limits valid on the date of first disbursement shall apply.

Amendment Regarding Credit Limit Ratios and Breaches of Development and Investment Banks

With its Board Decision dated 13 February, the BRSA announced new limits regarding credit extensions of development and investment banks. Istanbul Settlement and Custody Bank and İlbank have been excluded from this regulation. The ratio of the amount of credit that development and investment banks may provide to a natural or legal person or a risk group, on either a consolidated or unconsolidated basis, to the core capital of the bank will vary depending on the leverage ratio of the risk group to which the bank belongs. The ratios can be accessed [here](#). Within the scope of Article 5 of the decision, project and investment loans with maturities longer than three years and equity stakes acquired for financing purposes will also be considered outside the limits.

Banks' Share Buybacks

With its Board Decision dated 25 March, the BRSA has decided that shares acquired through share buybacks to be conducted by publicly-traded banks on Borsa İstanbul A.Ş.'s equity market as of 17 March 2025, shall not be subject to certain regulations until 31 December 2025. Accordingly, the said share buybacks will not be considered a deduction item from core capital pursuant to subparagraph (a1) of paragraph four of Article 9 of the Regulation on the Equity of Banks. Furthermore, these repurchased shares will not be taken into account in the calculation of credit risk and market risk base amounts under the Regulation on the Measurement and Evaluation of Capital Adequacy of Banks.

Insurance Companies Will Not Apply Inflation Accounting in 2025

The Insurance and Private Pension Regulation and Supervision Authority has published a new circular regarding the application of inflation accounting to the insurance sector. According to the circular, the announcement dated 23 November 2023 by the Public Oversight, Accounting, and Auditing Standards Authority states that regulatory agencies and institutions may determine different transition dates for inflation accounting within their areas of authority. Accordingly, regulators authorized in their fields are granted flexibility to set different implementation calendars within the scope of TMS 29 or the Financial Reporting Standard for Large and Medium-Sized Enterprises.

Within this framework, insurance, reinsurance, and pension companies shall be exempted from applying inflation accounting for 2025, and the previously applicable circular No. 2024/10 has been repealed.

FIA Announces 2024 Data on Leasing, Factoring, Financing, Asset Management and Savings Financing Companies

The Financial Institutions Association announced the consolidated data of leasing, factoring, financing, asset management, and savings financing companies for 2024. According to consolidated data of these five sectors for 2024:

- Transaction volume increased by 67.6% to TRY 2.044 trillion,
- Total assets grew by 47.2% to TRY 988 billion,
- Equity size rose by 71.7% to TRY 192 billion,
- The number of customers reached 6 million.

Credit Rating Threshold Raised

By its decision dated 17 April 2025, No. 11199, the BRSA increased the total credit exposure threshold triggering the credit rating requirement for non-financial institutions. Accordingly, the threshold, previously set at TRY 500 million under the 10 September 2020 decision, has been raised to TRY 750 million based on Risk Centre data of the Banks Association of Türkiye.



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