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MAXIMUM TERM OF CREDIT CARD INSTALMENTS AND CONSUMER LOANS REDUCED

The Banking Regulation and Supervision Agency (“BRSA”) of Turkey announced changes on the maximum term of instalments allowed on credit cards and consumer loans as of 15 August 2018.

CHANGE IN MAXIMUM TERM OF CREDIT CARD INSTALMENTS

GOODS/SERVICES	PREVIOUS MAX. TERM OF INSTALMENTS (MONTHS)	NEW MAX. TERM OF INSTALMENTS (MONTHS)
General ¹	12	12
Electronic goods (TVs, radios, other audio and visual systems etc.)	6	3
Computers (Mobile phones, tablets, computers etc.)	6	6
Jewellery	4	No instalments allowed.
Health and social services and medical products	9	9
Transportation	9	6
Domestic ² airline, travel agents, accommodation	9	9
International airline, travel agents, accommodation	9	6

¹ The maximum term for corporate credit cards has been reduced from 12 months to 9 months.

² Domestic and international airline, travel agents, accommodation purchases have been differentiated by BRSA on 23 November 2018. Before 23 November 2018, domestic purchases were limited by 6 instalments.

Tax payments	9	9
Club and association membership payments	9	6
Telecommunication, direct marketing payments, payments in foreign countries, dining, food, alcohol, fuel, cosmetics, office supplies, gift card/cheque etc.	No instalments allowed.	No instalments allowed.
Payments with corporate credit cards	12	9

CHANGE IN MAXIMUM TERM OF CONSUMER LOANS

GOODS/SERVICES	PREVIOUS MAX. TERM (MONTHS)	NEW MAX. TERM (MONTHS)
General ³	48	36
Vehicle (cars etc.)	48	48
Mobile phones, tablets, computers	48	6

³ The maximum term does not apply for mortgages, house renovation loans, house leasing loans, real estate purchase loans, education loans, loans taken to pay public (state) debts and refinancing of the above. No change made in this exception.

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Refinancing of the consumer loans used **after 15 August 2018** is subject to the maximum terms provided above for the relevant goods.

The debt balance of the consumer loans used **before 15 August 2018** may be restructured with a 48-month maximum term upon the consumer's request until 15 August 2019. If an additional loan amount is utilized in the restructuring, its term must be limited to 36-months.

This guide has been prepared for general information purposes. It is not meant to serve as legal advice in any manner. It is only a brief outlook of the topic. It is not and does not aim to be comprehensive. It only provides information on certain significant points of the topic and should not be used without a specific legal advice for the relevant case.

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