FSB FINANCIAL STABILITY BOARD

Peer Review of Türkiye

Review report



11 November 2026

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Foreword

Financial Stability Board (FSB) member jurisdictions, under the FSB Charter and in the FSB Framework for Strengthening Adherence to International Standards,[1] have made commitments in relation to leading by example by implementing international financial standards, disclosing their level of adherence to those standards and undergoing periodic peer reviews to evaluate adherence to these standards. To fulfil this responsibility, the FSB has established a regular programme of country and thematic peer reviews of its member jurisdictions.

Country reviews focus on the implementation and effectiveness of regulatory, supervisory or other financial sector policies in a specific FSB jurisdiction. They examine the steps taken or planned by national/regional authorities to address IMF-World Bank Financial Sector Assessment Program (FSAP) and Reports on the Observance of Standards and Codes recommendations on financial regulation and supervision as well as on institutional and market infrastructure that are deemed most important and relevant to the FSB's core mandate of promoting financial stability. Country reviews can also focus on regulatory, supervisory or other financial sector policy issues not covered in the FSAP that are timely and topical for the jurisdiction and for the broader FSB membership. Unlike the FSAP, a peer review does not comprehensively analyse a jurisdiction's financial system structure or policies, or its compliance with international financial standards.

FSB jurisdictions have committed to undergo an FSAP assessment every five years; peer reviews taking place typically two to three years following an FSAP will complement that cycle. As part of this commitment, Türkiye volunteered to undergo a peer review in 2025-26.

This report describes the findings and conclusions of the Türkiye peer review, including the key elements of the discussion in the FSB's Standing Committee on Standards Implementation (SCSI) in September 2026. It is the second FSB peer review of Türkiye and is based on the objectives and guidelines for the conduct of peer reviews set forth in the *Handbook for FSB Peer Reviews.*[1]

The analysis and conclusions of this peer review are based on the responses to a questionnaire by financial authorities in Türkiye and reflect information on the progress of relevant reforms as of August 2026. The review has also benefited from dialogue with the Turkish authorities as well as discussion in the FSB SCSI.

The draft report for discussion was prepared by a team chaired by Sebastián Sánchez Sarmiento (Central Bank of Argentina), and comprising Aljawharah Alsayari (Saudi Central Bank), Maria Teresa Chimienti (World Bank Group), Nico Di Gabriele (European Central Bank), Sabina Marchetti (Banca d'Italia), and Suvendu Pati (Reserve Bank of India). Michael Januska (until July 2026), Ben Konare and Abhishek Srivastav (FSB Secretariat), and members of the Chair's support team, Sebastian Katz and Ivan Hundewadt (Central Bank of Argentina), provided support to the team and contributed to the preparation of the report.

[1] FSB (2017), *Handbook for FSB Peer Reviews,* April.

Abbreviations

AML	Anti-Money Laundering
BCBS	Basel Committee on Banking Supervision
BRSA	Banking Regulation and Supervision Agency
CA recommendations	High-level recommendations for the regulation, supervision, and oversight of crypto-asset activities and markets (FSB)
CASP	Crypto-Asset Service Provider
CBRT	Central Bank of the Republic of Türkiye
CDD	Customer Due Diligence
CFT	Countering the Financing of Terrorism
CMB	Capital Markets Board of Türkiye
DRC	Disaster Recovery Center
EMDEs	Emerging Markets and Developing Economies
FATF	Financial Action Task Force
FSC	Financial Stability Committee
FSAP	Financial Sector Assessment Program
FSB	Financial Stability Board
FX	Foreign Exchange
GDP	Gross Domestic Product
GSC	Global Stablecoin
GSC recommendations	High-level recommendations for the regulation, supervision, and oversight of global stablecoin arrangements (FSB)
HSM	Hardware Security Module
ICO	Initial Coin Offering
ICT	Information and Communication Technology
IMF	International Monetary Fund
IOSCO	International Organization of Securities Commissions
KAP	Public Disclosure Platform (Kamuoyu Aydınlatma Platformu)
KVMKS	Crypto Asset Central Registry System (Kripto Varlık Merkezi Kayıt Sistemi)
MASAK	Financial Crimes Investigation Board (Mali Suçları Araştırma Kurulu)
MKK	Central Securities Depository of Türkiye (Merkezi Kayıt Kuruluşu)
MoTF	Ministry of Treasury and Finance
MoU	Memorandum of Understanding
PoR	Proof of Reserve
P2P	Peer-to-Peer
SCSI	Standing Committee on Standards Implementation (FSB)
SDIF	Savings Deposit Insurance Fund
SREP	Supervisory Review and Evaluation Process
SSB	Standard-Setting Body
TRY	Turkish Lira
TÜBİTAK	Türkiye’s Scientific and Technological Research Council

Executive summary

Background and objectives

The purpose of this peer review is to examine Türkiye's progress in implementing FSB recommendations for the regulation and supervision of crypto-asset activities, including stablecoins.[2] It focuses on the assessment of regulatory, supervisory and oversight issues related to financial stability and not on other risks such as consumer and investor protection, market integrity, or anti-money laundering and counter-terrorist financing (AML/CFT).

Main findings

Türkiye's crypto-asset market is growing rapidly and is largely retail driven. Usage is shaped by macroeconomic conditions, with crypto-assets held predominantly for speculative purposes while stablecoins are held as a store of value and a hedge against currency depreciation and inflation. As in other jurisdictions, transactions occurring on offshore platforms remain outside the regulatory perimeter, limiting visibility on how such trends may affect market developments.

The Turkish authorities have made meaningful progress in enhancing the regulation, supervision and oversight of crypto-asset markets and activities in recent years. The FSB 2025 thematic peer review[3] showed that Türkiye had finalised a regulatory framework for crypto assets, although there was no framework in place for stablecoins. Since then, the authorities have enacted a framework that brings a large part of the crypto-asset market within the regulatory perimeter. Having introduced registration and licensing requirements for crypto-asset service providers (CASPs), the focus is now on licensing, targeted on-site inspections and audit-based assurance of these entities. Moreover, the authorities have set up structural safeguards such as strict custody separation, and the prohibition on the use of crypto-assets for domestic payments, which have limited some of the risk transmission channels into payments and banking.

This regulatory framework provides a basis for the authorities t to better understand the business models of CASPs and the channels through which financial stability risks could arise, including interlinkages with the traditional financial system, the growing role of foreign currency stablecoins, and implications for capital flows and monetary sovereignty. The authorities have also operationalised a centralised data platform for monitoring and reconciling crypto-asset activities.

Building on these achievements, further steps are warranted to reinforce the regulatory framework and improve alignment with the FSB recommendations, including operationalising a framework for financial stability monitoring, establishing a dedicated regime for stablecoins, strengthening supervision and enforcement, and promoting effective cross-border cooperation and information sharing.

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2 The relevant policies include the FSB's high-level recommendations for the regulation, supervision, and oversight of crypto-asset activities and markets (CA) and global stablecoin arrangements (GSC).

3 FSB (2025), *Thematic review on FSB global regulatory framework for crypto-asset activities*, October.

Monitoring financial stability risks arising from interconnections and interdependencies

FSB CA recommendation 8 sets out that authorities should identify and monitor the relevant interconnections, both within the crypto-asset ecosystem, as well as between the crypto-asset ecosystem and the wider financial system. The authorities should progressively develop a more systematic and forward-looking approach to monitor financial stability risks from crypto-assets, building on the analytical capabilities and data infrastructure already put in place. They have identified key risk channels, such as cross-border capital flows and interconnectedness of crypto assets with the broader financial system. The next step is to define specific risk indicators to monitor these channels effectively.

To develop the analytical toolkit, the authorities should establish comprehensive, consistent and comparable data for monitoring crypto market risks. Türkiye's existing supervisory data requirements and infrastructure provide a useful foundation to develop relevant risk indicators. These could be complemented by alternative data sources, such as on-chain analytics and cross-border transaction data, to capture activities not yet fully within the regulatory perimeter.

Enhancing the implementation of the CASP regulatory framework

Türkiye has made progress in implementing its regulatory and supervisory framework for CASPs, but challenges remain in translating the framework into effective supervisory oversight. Efforts to complete the transition from interim registration to full licensing remain ongoing. These include addressing bottlenecks in the review pipeline, engaging audit firms on common findings, and ensuring the licensing process follows a defined schedule. Additionally, the treatment of crypto-asset exposures of banks and their subsidiaries requires further assessment to ensure that relevant risks are effectively addressed within the prudential framework, including alignment with BCBS standards on crypto-asset exposures (SCO60).

Enforcement tools also require improvements to address off-shore crypto-asset activities that can reach domestic users. Such gaps weaken deterrence and reduce the effectiveness of the domestic regulatory regime, particularly for EMDEs where FX and cross-border channels are more pronounced. Addressing these issues is particularly crucial to maintaining confidence and ensuring financial stability.

Implementing measures in line with the FSB' GSC recommendations

Stablecoins are not subject to comprehensive regulation, supervision and oversight. While targeted AML/CFT measures and CASP oversight of listing, trading and custody of stablecoins provides some supervisory entry points, there remains no framework in place for the regulation of stablecoin issuers. In an EMDE setting, the absence of a comprehensive regulatory regime for stablecoins is more consequential given higher retail use, stronger FX-linked channels and the potential for digital dollarisation, making clarity on issuance safeguards a core financial-stability concern.

Türkiye's stablecoin regulatory regime should align with the FSB GSC recommendations, which set expectations for the issuance of fiat-pegged stablecoins, covering issues related to appropriate stabilisation mechanisms, reserve management and timely redemption. Where relevant, it should also clarify the interaction with payments and e-money legislation to ensure a

consistent regulatory approach. It should be differentiated by the currency of denomination and clarify the responsibilities of domestic intermediaries when issuers are offshore. Setting these expectations would promote consistent oversight, improve transparency and reduce uncertainty, while work to clarify the e-money pathway continues.

Strengthening cross-border and cross-sectoral cooperation

Crypto-assets are inherently borderless, allowing issuers and service providers to operate globally without a physical presence in specific jurisdictions. For this reason, CA and GSC recommendations 3 call for jurisdictions to cooperate and coordinate with each other, both domestically and internationally. This cooperation poses challenges for domestic authorities, as activities originating abroad can easily reach local users, but the identification of a relevant foreign supervisory authority is often unclear. While Türkiye has cross-border cooperation arrangements in place, there is little practical experience using them in areas such as CASP supervision and the arrangements may have to evolve as oversight frameworks mature. Moreover, Türkiye could strengthen and expand bilateral cooperation with the relevant supervisors of foreign GSCs that operate in Türkiye to improve its supervisory framework.

Recommendations

In response to the aforementioned findings and issues, the peer review has identified the following recommendations to the Turkish authorities within their respective mandates:

1. **Consistent with the recommendations of the Thematic Peer Review that apply to all FSB members, authorities should continue to prioritise full implementation of the CA and GSC recommendations.**

2. **Authorities should prioritise implementation of CA recommendation 8 and progressively develop a more systematic and forward-looking approach to identify and monitor financial stability risks by:**

    - assessing relevant interconnections, both within the crypto-asset ecosystem, as well as between the crypto-asset ecosystem and the wider financial system; and,

    - identifying key risk indicators to monitor crypto-asset risks and establishing robust systems for data collection, including integration of off-chain and on-chain data analyses outputs, related to these indicators.

3. **Authorities should further enhance the implementation of the CASP framework, in line with the FSB's CA Recommendations 1, 6, 7, 8, and 9, by:**

    - completing the transition from interim registration to licensing on a defined schedule, communicating expected timeframes for each stage of the process;

    - engaging audit firms on common findings, and addressing bottlenecks in the review pipeline;

- enhancing consistency in key disclosure elements, such as proof-of-reserve presentation and incident reporting, and improving the completeness and timeliness of KVMKS submissions; and,

- assessing the treatment of crypto-asset exposures of banks and their subsidiaries and reviewing prudential requirements for CASPs to ensure that relevant risks are appropriately addressed, including consideration for alignment with BCBS standards on crypto-asset exposures.

4. **Authorities should take further measures in line with the GSC recommendations 1, 2, 3, 8, and 9, by:**

    - establishing issuer requirements tailored to fiat-currency referenced stablecoins, including redemption rights, effective stabilisation mechanisms and prudential requirements, and clarifying the interaction with payments and e-money legislation, while maintaining appropriate safeguards against the use of foreign-currency-denominated stablecoins in domestic payments; and,

    - enhancing the measures for the distribution and circulation of foreign issued, foreign currency-denominated stablecoins through domestic CASPs, including targeted expectations for stabilisation mechanisms, reserve asset composition and transparency, and enhanced cooperation with an issuer's home authority.

Authorities should continue to develop and periodically review existing cooperation and information-sharing arrangements, both domestically and internationally, to ensure that they remain aligned with evolving supervisory and oversight needs.

1. Introduction

Türkiye's first peer review, published in 2015,[4] examined two topics: the macroprudential policy framework and tools, and bank resolution. The review focused on the steps taken by the authorities to implement reforms in these areas, including with respect to relevant recommendations in the 2011 Financial Sector Assessment Program (FSAP) report by the IMF and WB. The review concluded that progress had been made in developing the macroprudential policy framework and that the bank resolution framework had served Türkiye well. However, there was additional work to be done in both areas. On the macroprudential policy framework, this involved developing an integrated risk assessment and policy framework as well as enhancing public communication of macroprudential policies. On resolution, the framework in place at that time could be further strengthened by incorporating additional features of the FSB's Key Attributes of Effective Resolution Regimes for Financial Institutions.[5] Annex 1 contains the peer review recommendations.

This peer review examines Türkiye's progress in the regulation and supervision of crypto-asset activities, including stablecoins. It focuses on the steps taken by the authorities to implement reforms in this area, taking into account the adoption of the FSB high-level recommendations for the regulation, supervision and oversight of crypto-asset markets and activities (CA recommendations) and high-level recommendations on the regulation, supervision and oversight of global stablecoin arrangements (GSC recommendations).[6] The CA recommendations focus on addressing risks to financial stability, and do not comprehensively cover all specific risk categories related to crypto-asset activities; accordingly the focus of the report is not on those other risks.[7] It also builds on the findings of the FSB 2025 thematic peer review, which showed that Türkiye had developed a crypto asset regulatory framework but the implementation was still in progress. Implementation of GSC recommendations was also at the earliest stage, with no framework in place. Drawing on the FSB recommendations, findings of the FSB thematic peer review and related work at the FSB and other SSBs, this review identifies good practices and potential improvements.

More broadly, this peer review acts as an EMDE-specific case study by highlighting common challenges in one jurisdictional context and identifying lessons that peer authorities at different stages of the regulatory journey can draw upon. Crypto-asset markets hold particular significance for EMDEs, where generally adoption has grown quickly and where the associated risks can interact with pre-existing vulnerabilities such as the effectiveness of monetary policy and capital flow measures, and fiscal risks. These effects are most pronounced in economies with unstable currencies and less developed financial systems, precisely the conditions under which adoption incentives are strongest. The FSB thematic peer review showed that the implementation of the FSB Crypto Framework in EMDEs is constrained by institutional capacity and consumer education, reflecting constraints in the resources, technology and expertise needed to monitor and supervise a rapidly evolving industry. Türkiye's peer review therefore

4 See FSB (2015), *Peer Review of Turkey*, November.

5 See https://www.fsb.org/2014/10/key-attributes-of-effective-resolution-regimes-for-financial-institutions-2/.

6 See FSB (2023), *FSB Global Regulatory Framework for Crypto-asset Activities*, July.

7 Other risks include AML/CFT; data privacy; cyber security; consumer and investor protection; market integrity; competition policy; taxation; monetary policy, monetary sovereignty and other macroeconomic concerns.

provides a unique case study for EMDEs that face similar drivers of crypto-asset activity and potential financial stability risks and shows how effective and timely implementation of the FSB recommendations could mitigate some of these risks.[8]

Türkiye's implementation of the post-Global Financial Crisis regulatory reforms is most advanced for certain Basel III standards and for compensation rules. Implementation is less advanced for reforms aimed at making derivatives markets safer, ending too-big-to-fail, and enhancing the resilience of non-bank financial intermediation. Annex 1 gives an overview of Türkiye's implementation status of G20 financial reforms as of January 2026, including the steps taken and actions planned in core reform areas (not covered in this peer review) where implementation is not yet complete.

2. Market developments

The market for crypto-assets in Türkiye has experienced significant growth and evolution over the past five years. With nearly USD 200 billion in annual transactions in 2025, Türkiye was among the 20 largest crypto-asset markets globally and the largest in the Middle East and North Africa region.[9] The authorities report there are over 7.1 million crypto-asset accounts (related to 5.3 million entities) though only 51% have a positive balance in their crypto wallets. Holdings with local CASPs are spread across 1,500 different types of crypto-assets, although four of them represent more than 45% of the total.[10] Market participants note that trading activity tends to increase around periods of heightened market or political uncertainty – a pattern that is also observed in crypto markets in other jurisdictions.

The market for TRY-denominated stablecoins reflects broader trends in crypto adoption and trading dynamics in Türkiye. BiLira (TRYB) is the only stablecoin issued by a domestic entity, which has a market capitalisation of approximately USD 5.9 million. It is available on multiple centralised and decentralised exchanges and blockchains. In the past, currency depreciation and inflation further weakened its liquidity, prompting market makers to reduce their operations. While stablecoins historically dominated Turkish trading volumes, late 2024 saw a shift as daily Altcoin[11] trading volumes surged from USD 50 million to USD 240 million by mid-2025, driving a decline in stablecoin activity. Blockchain data from 2025 showed that USD-pegged stablecoins account for 17% of transactions compared to just 3% for other stablecoins and tokenised assets.

Türkiye's crypto market is characterised by strong retail participation and intense trading activity. Market participants noted that activity is largely driven by retail investors, with speculative motives playing an important role. Available evidence is consistent with the assessment that crypto-asset markets are attracting a more active investor base than Borsa Istanbul (BIST). In 2025, BIST's market capitalisation was USD 406.9 billion, and its average daily trading volume

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8 See FSB (2024), *Cross-border Regulatory and Supervisory Issues of Global Stablecoin Arrangements in EMDEs*, July.

9 Chainalysis (2025), *The 2025 geography of crypto report*, October. Official data from KVMKS indicate approximately USD 3 billion in crypto-asset holdings in 2026, equivalent to around 0.3% of total banking-sector assets. However, KVMKS does not cover crypto-assets held in self-custodial wallets or through service providers outside the regulated reporting perimeter (e.g. established abroad).

10 Bitcoin 18%, Ether 11%, XRP 9% and USDT 7%.

11 Altcoins are defined as crypto-assets "other than Bitcoin". The class typically comprises native blockchain tokens, utility tokens, governance tokens and other non-Bitcoin crypto-assets with varying economic functions, excluding stablecoins.

was USD 3.9 billion. By comparison, crypto-assets had a daily trading volume of approximately USD 0.5 billion, while holdings registered with Turkish crypto-asset service providers (CASPs) amounted to approximately USD 3 billion..[12] Blockchain data for 2025 indicated that most transaction volumes are in crypto assets rather than stablecoins.

Crypto-assets are used for both speculative and hedging purposes. In EMDEs, crypto-asset adoption is shaped by macroeconomic conditions, with crypto-assets used predominantly as a store of value and a hedge against currency depreciation and inflation. Investors in Türkiye hold such assets for speculative purposes with market data indicating that trading activity increased sharply during 2024 alongside rising Bitcoin prices. For stablecoins, market participants note that users either hold them as a store of value to hedge against TRY depreciation or purchase USD-pegged stablecoins, primarily USDT, before transferring funds to foreign platforms that offer speculative crypto-asset services unavailable domestically. External studies have linked the high level of stablecoin activity in Türkiye and, more broadly, across other EMDEs to demand for USD-denominated assets, cross-border transfers and value preservation.[13] While there is some evidence of use in peer-to-peer (P2P) transfers, comprehensive official data on the scale and composition of these activities is not available. By contrast, evidence of widespread use of stablecoins for domestic retail merchant payments remains limited.

The market is composed of a diverse range of participants involved in trading activities, custody services, technology infrastructure, and other ancillary services. Trading platforms, also referred to as crypto-asset exchanges, are central to the market, providing a venue for buying, selling, and transferring crypto-assets. Estimates of market share differ across data sources with supervisory data showing that BTC Turk occupies 29% market share, followed by Midas and Binance TR both at 19%. However, blockchain data (as of Q1 2026) from Coindesk indicates that Binance Global accounts for ~70% of market share while BTC Turk occupies 18%. Trading activity at domestic platforms are limited to spot trading under strict investor-protection rules. These platforms cannot direct clients to global platforms even if the domestic subsidiary is part of the same holding company. However, clients seeking prohibited services such as leveraged or derivative trading may independently onboard with foreign platforms, doing so at their own discretion and outside the protections of Turkish regulations. As part of the licensing process, exchanges are required to partner with authorised custody institutions to ensure secure asset storage.

Banks also play a critical role in the market structure by offering accounts to exchanges through which clients' funds are sent/received and providing custody services for crypto-assets. While banks are not allowed to hold crypto-assets on their balance sheets, they can participate through bank-affiliate subsidiaries. These subsidiaries can provide custody services or operate trading platforms that are licensed as CASPs. Market intelligence suggests that banks seeking to enter this market are planning to start with custody services to their own exchanges before subsequently expanding their offering to other financial institutions.

[12] BIST data sourced from the 2025 BIST annual report, while crypto market data was provided by the Turkish authorities.
[13] See footnote 9.

3. Regulation and supervision of crypto-asset activities

3.1. Steps taken and actions planned

3.1.1. Monitoring financial stability risks from crypto-assets

Türkiye has made notable progress in laying the groundwork for financial stability monitoring of crypto-assets by enacting a legal framework for supervisory data collection and deepening its understanding of the risks posed by this market. CA Recommendation 8 highlights the importance of identifying and monitoring interconnections within the crypto-asset ecosystem and between it and the broader financial system. While the FSB's thematic peer review on crypto-assets noted data challenges in EMDEs such as nascent reporting requirements and reliance on third-party analytics, Türkiye's advancements in risk analysis and data infrastructure offer a valuable case study for peers at similar stages.

The framework for monitoring market developments and risks from crypto-assets in Türkiye relies on a multi-agency model (Table 1). It involves several authorities, reflecting the different channels through which crypto-asset activity may affect markets, payments, banks, financial integrity and customer asset treatment. From a cross-sectoral perspective, the Turkish Financial Stability Committee (FSC) facilitates coordination among these authorities and has working groups to conduct systemic risk monitoring, and resolution and crisis management. The Systemic Risk Monitoring Working Group under the FSC considers crypto within broader financial stability discussions rather than through a dedicated crypto-only forum.[14]

Table 1: Mandate and monitoring responsibilities across Turkish financial authorities.

Authority	Mandate and monitoring responsibility
Banking Regulation and Supervision Agency (BRSA)	**Supervision of banks and non-bank lenders.** BRSA is responsible for supervising banks and their crypto-affiliated entities such as custody providers and CASPs. It assesses bank-CASP interconnections, fiat rails, bank-affiliated crypto entities, reputational effects and banking-sector channels that may become material under stress.
Central Bank of the Republic of Türkiye (CBRT)	**Payment and financial stability risks.** CBRT's responsibilities include steering the monetary and exchange rate policies, taking the regulatory measures with respect to money and foreign exchange markets to ensure stability in the financial system, supervision of payments, electronic money,.
Capital Markets Board (CMB)	**Market supervision.** CMB is responsible for CASPs, the authorisation process, market conduct, custody arrangements and the development of crypto-asset market data infrastructure.
Financial Crimes Investigation Board (MASAK)	**ML/FT risks**. MASAK contributes through transaction monitoring and provides visibility over transaction-level risks, offshore activity monitoring and visibility over unhosted wallet flows.

[14] For more information, please see About Financial Stability Committee - TR Ministry of Treasury and Finance Official Portal

Savings Deposit Insurance Fund (SDIF)	**Deposit insurance and financial safety-net.** Though crypto or stablecoin investors are not eligible for protection, SDIF brings its expertise where crypto-asset activity may interact with banks, depositor behaviour, customer asset treatment or stress scenarios.

The authorities have identified various transmission and amplification channels through which crypto-asset exposures could give rise to potential financial stability risks (see Table 2). Common to all jurisdictions, these risks include market and liquidity risks, operational vulnerabilities, and legal risks. Abrupt shifts in market sentiment or household behaviour could also have wealth and confidence effects, which may spread to the broader financial system through direct and indirect interconnections across different financial intermediaries. The authorities are also aware of potential regulatory trade-offs where strict domestic rules can strengthen oversight but could potentially shift higher risk activity to global platforms (e.g. leveraged trading). Cross-border transmission of shocks could operate through the traditional transmission channels, such as capital flow volatility and FX regime shifts. Notably, the authorities have developed experience in dealing with such episodes in the past and, thus, have a conceptual understanding of how such risks may materialise.

The authorities have also developed a nuanced understanding of how EMDE-specific macro-financial vulnerabilities interact with crypto-assets, focusing on their potential to reshape payment behaviour, affect currency substitution, and influence FX demand. Authorities consider that the payment systems run efficiently, limiting the relevance of stablecoins for domestic payments and access to broader financial services. However, to the extent that stablecoins are attractive for cross-border payments and value preservation, their relative accessibility compared to US dollar bank deposits could become a driver of digital dollarisation. Moreover, the CBRT and BRSA note that cross-border activity, particularly involving foreign-issued stablecoins and offshore platforms, could amplify volatility in capital flows, affect domestic deposit composition, and increase the sensitivity of domestic financial conditions to global financial cycles. Such activity could further exacerbate digital dollarisation, undermine monetary policy transmission and increase the risk of sudden capital outflows. The authorities, however, noted that the intensity of such channels is limited given the size of crypto-market ecosystem and its interconnectedness with the traditional financial system.

Table 2: Key financial stability risks from crypto-assets for Türkiye, split by whether they are common to all jurisdictions or more specific to EMDEs.

Risk category	Potential transmission channel	Relevance for Türkiye
Common risks across jurisdictions	Market, liquidity and confidence effects	Abrupt price corrections, high trading turnover or liquidity stress could generate losses and confidence effects, particularly given the retail-oriented nature of crypto-asset activity in Türkiye.
	Concentration, operational and ecosystem interdependencies	Stress could propagate through concentrated platforms, stablecoins, custodians, infrastructures, service providers, intra-group links or custody chains. This is relevant as the CASP, custody and market infrastructure framework become operational.
	Interconnections with regulated financial institutions	Transmission to the wider financial system could occur through fiat rails, custody services, bank-affiliated crypto entities, operational dependencies, client exposures or other direct and indirect links.

		These channels appear limited at present but warrant monitoring as bank-related activity develops.
EMDE risks particularly relevant for Türkiye's current setting	Capital flow management	Foreign-currency-linked stablecoins may be used to hold, transfer or reallocate foreign-currency-linked value, potentially reinforcing FX demand. This channel is particularly relevant given the impact of foreign issued stablecoins and Türkiye's macro-financial context on capital flow management framework.
	Cross-border value transfer and limits to domestic visibility	Crypto-assets and stablecoins may enable faster cross-border movements of value through offshore platforms, global-linked platforms, foreign-issued stablecoins or unhosted wallets. This may complicate the measurement of flows and reduce domestic visibility over channels relevant for financial stability monitoring.
EMDE risks contingent on broader adoption or changing use cases	Conduct of monetary policy, monetary transmission and loss of seignorage income	While domestic payment use is currently prohibited and evidence of merchant payment use appears limited, broader use of foreign-currency-linked stablecoins for payments, pricing, invoicing or settlement could give rise to real or transactional digital dollarisation, with potential implications for monetary sovereignty and monetary policy transmission. The loss and transfer of seignorage income on account of stablecoin issuance though not considered as significant at this stage by authorities, may become significant with wider adoption.
	Bank funding, deposit composition and financial intermediation	Shifts from bank deposits or domestic financial instruments into crypto-assets or stablecoins could affect deposit composition, bank funding conditions and financial intermediation. This appears limited under current conditions but could become more relevant if adoption increases or bank-CASP links deepen.

To monitor some of these risks, the authorities have put in place reporting requirements. Turkish authorities plan to rely on regulatory datasets that have varying levels of detail and frequency across supervised financial institutions. The CMB has established a central registry infrastructure, the Crypto Asset Central Registry System (KVMKS), to reconcile reporting data for monitoring market activity, custody exposures and movement of crypto-assets across domestically licensed platforms. The authorities note that this data could be an important input to measuring flows and concentration and to assess the overall level of crypto-asset activity. Further, periodic reporting obligations for CASPs enable the CMB to assess market participants' financial performance, asset holdings, transaction volumes, and customer data, allowing for the identification of systemic risks such as market concentration or liquidity vulnerabilities. CASPs are also required to submit financial reports prepared in accordance with Turkish Financial Reporting Standards and subject to independent audits, ensuring data accuracy and reliability. This enables the CMB to track key performance indicators, such as capital adequacy, liquidity levels and market concentration. Taken together, these arrangements provide a foundation for financial stability monitoring, although translating the available supervisory information into a more systematic set of financial stability indicators remains an area for further development.

3.1.2. Regulating and supervising crypto-asset markets and activities

Türkiye has made further progress towards strengthening its framework for CASPs, focusing on enhanced regulatory oversight and operational safeguards. The FSB thematic peer review report found that Türkiye had brought CASPs within the perimeter of its existing capital markets

legislation.[15] This framework mandates requirements for capital adequacy, liquidity, and governance, alongside mandatory integration with the KVMKS to enable real-time reporting and monitoring. Since then, the authorities have further operationalised KVMKS and introduced stricter licensing requirements and on-site inspections.

Building on this regulatory progress, the authorities have established a framework, supported by a clear allocation of responsibilities, as set out in CA Recommendation 1. Authorisation of CASPs follows a staged process to ensure oversight and compliance. However, the process has proven lengthy in practice, as authorities address incomplete or insufficiently prepared applications and introduce stricter requirements for CASP establishment, prompting deadline extensions for the end of the transitional period (Table 3). The authorities opened a three-month application window in 2025, identified "Actively Operating" entities to continue under transitional arrangements, and instructed entities deciding to exit to file weekly wind down returns. The CMB then conducted the first onsite inspections of active platforms, covering governance, trading operations, custody arrangements, KVMKS integration, outsourcing, proof of reserve (PoR) and business continuity. Independent ICT and financial audits were also required. Authorisation deadlines were subsequently extended, with authorities citing custodian availability and ICT audit bottlenecks, which has prolonged interim operations for some entities.

Licensing requirements for CASPs are designed to enhance operational resilience. As set out in CA Recommendations 5 and 9, the authorities should establish risk management and prudential requirements for CASPs. The authorities have introduced various requirements, which include restricting platforms to holding a maximum of 5% of client crypto-assets within their own wallets with the remaining amount to be kept in custody at an authorised depository institution.[16] Additionally, the size of hot wallet of depository institutions is limited to 5% of total customer assets under normal conditions, with flexibility to temporarily rise up to 10% based on daily transaction volumes. These safeguards, when combined with prescriptive ICT criteria and data/private-key localisation, are designed to improve operational resilience. As the regulatory regime is now moving from design into implementation, market participants acknowledged the benefits of stronger protections. However, they have also noted that custody capacity and ICT assurance timelines have not always developed at the same pace, contributing to longer authorisation processes in certain cases.

Table 3: Timeline showing progress made by Turkish authorities towards regulating and supervising crypto-asset markets and activities

Date/Period	Milestone	Lead authority	Context
July 2024	Legal amendments adopted to bring crypto-asset services within the CML perimeter	Authorities	Establishes CMB remit over CASPs

[15] Communiqué on the Establishment and Operating Principles of Crypto Asset Service Providers (III-35/B.1); Criteria for Information Systems and Technological Infrastructures of CASPs.

[16] During the day, due to instant transaction flows, the portion held in platform wallets may flexibly rise up to an absolute ceiling of 10% (correspondingly dropping to a minimum of 90% at the depository institution), provided that any excess above 10% is transferred immediately. A minimum 95% custody rate at the depository institution must be restored by the daily settlement time, with the option for 100% third-party custody remaining available.

March–June 2025	Three-month application window opened; “Actively Operating” list published for transitional continuity	CMB	Platforms allowed to operate under transition pending authorisation
Q3 2025 (by Oct)	First on-site inspections for active platforms completed (governance, trading, custody, KVMKS, outsourcing, PoR, continuity)	CMB	Inspections cover core operational and safeguarding domains
Early 2026	KVMKS weekly reporting operational; initial data-quality and reconciliation work noted	CMB / MKK	Registry operational; early-stage data completeness and reconciliation efforts ongoing
End-March 2026	Authorisation deadlines extended; weekly wind-down reporting required for exiting entities	CMB	Extension cited custodianship and ICT audit bottleneck
Late June 2026	Six banks reported with BRSA preliminary approvals; three banks deemed “suitable” for crypto-custody	BRSA (pre-approvals); CMB (“suitability”)	Final BRSA operational authorisations pending; service provision not yet commenced by these banks

Governance requirements for CASPs are established, while practical oversight of group structures and shared services continues to evolve (CA Recommendation 4). The regime establishes board and senior management accountability, requires transparent ultimate ownership and prior-approval for qualifying shareholding transfers (including privileged voting rights), and mandates legal and functional separation between trading and custody within groups. Banks cannot operate trading platforms directly; any exchange must be conducted via a separate CMB-licensed CASP subsidiary. Authorities and firms alike noted that supervisory methodologies for assessing group-wide conflicts, intra-group exposures and shared-service resilience still need to be operationalised.

To further strengthen safeguards, the authorities have also established other governance requirements, such as non-financial risk-management and ICT/cyber requirements, for CASPs. TÜBİTAK custody criteria stipulate secure architectures, alongside continuous technical risk assessments, penetration testing, wallet-security controls, minimum capital and statutory borrowing limits, and Business Continuity Planning (BCP) and Disaster Recovery Capability (DRC) standards. Independent audit firms are required to assess CASPs’ financial statements, ICT systems and technological infrastructure as part of the authorisation and supervisory process. However, the number of independent audit companies limits IT audit capacity which in turn delays the implementation process. Audit firms reported tight capacity and selectivity in taking on clients. Several CASPs and banks highlighted that requirements for data/private key localisation and on-premises infrastructure significantly increase costs and timelines. For smaller non-bank custodians, these factors can delay their ability to meet regulatory expectations and, consequently, postpone the start of their operations.

Supervision has only recently started with early enforcement actions already taken. The CMB reported actions against unauthorised parties and completion of first on-site inspections for authorised CASPs. For entities in liquidation, those that failed to meet regulatory requirements or chose to exit the market, the CMB requires weekly returns evidencing client asset transfers and exit progress and uses customer complaints as an input to supervision. According to the authorities, there has been no need to conduct on-site verification of wind-down steps or any cross-checking of firms' return with KVMKS data.

Banks' direct participation in crypto-asset activities is limited to custody and follows a multi-step authorisation sequence that, in practice, has involved a timeline of around 12-18 months. The sequence includes (i) a BRSA preliminary approval (covering governance, risk management, internal controls and ICT), (ii) CMB licence approval benefiting from TÜBİTAK technical and operational assessments with independent audits, and (iii) a BRSA authorisation to expand business activity. As of late June 2026, the authorities indicated that six banks had received BRSA preliminary approvals and that CMB had deemed three banks "suitable". Market participants also noted that three banks had received CMB custody licences in recent weeks, although none had yet commenced service provision. Applicants and auditors referred to processing backlogs and remediation cycles at the TÜBİTAK stage and observed that these technical reviews do not have statutory time limits, which has contributed to variability in overall timelines.

The treatment of banks' balance-sheet exposures is based on supervisory expectations rather than formal rules. The authorities consider banks' direct exposures to CASPs to be limited, and the BRSA advises banks not to hold crypto-assets on their own balance sheets or engage in proprietary trading. In addition, crypto-asset activities undertaken by banking groups must be ring-fenced within subsidiaries rather than conducted through the licensed bank itself. The authorities are of the view that this mitigates the prudential risks arising from the BRSA's decision not to implement the BCBS SCO60 crypto-asset standards. The BRSA's current priority is the implementation of Basel III. Expectations for bank-controlled CASPs holding crypto-assets, including the treatment of such holdings in banks' consolidated accounts, remain unclear. Consequently, Turkish banks are not formally subject to the governance and risk-management standards set out in SCO60.

3.1.2.1 Regulatory reporting and disclosures for CASPs

Turkish authorities have established regulatory reporting frameworks to strengthen oversight of CASPs. CA Recommendation 6 calls on authorities to ensure CASPs have robust systems and processes in place to collect, record and report data. In line with this, the Turkish authorities have established frameworks that require CASPs to report on their financial condition, risk exposures, compliance with regulations, and incident-related information. Reporting is anchored in the KVMKS registry and supplemented by weekly submissions on customer accounts, balances, transactions, and market metrics. CASPs must also provide TFRS-based audited financial statements, periodic capital adequacy and liquidity reports, proof-of-reserve attestations, and independent ICT audit reports, both at licensing and as part of ongoing supervision.

The KVMKS is an important, centralised platform for collecting and reconciling data on domestic crypto-asset activities. While it provides a foundation for supervisory monitoring, its current coverage and data quality remain under development, with some transmission delays,

incomplete reporting and limited reconciliation across platforms and custodians. Its architecture incorporates unique investor identifiers, enabling the detection of market concentration risks and cross-platform linkages. From an operationalisation perspective, weekly reports support supervisory functions, and authorised custody service providers are fully integrated into the system. However, data quality issues, such as transmission delays and incomplete reporting, limit supervisory insights. Planned enhancements aim to improve cross-border visibility and customer segmentation, but for now, supervisory assessments rely on partial datasets, combining KVMKS feeds, audit attestations, and bank-linked data. The authorities plan to refine reconciliation processes through real data flows, which will commence once custody service providers achieve broader service coverage.

Authorisation-related reporting remains audit-dependent and observed audit capacity has influenced overall timelines and assurance depth. CASPs submit TFRS-based audited financials, proof-of-reserve attestations and independent ICT audits as part of licensing and ongoing oversight. Audit firms reported selective client acceptance, especially for entities with overseas systems or limited history. Market participants widely noted that ICT audit capacity has become a practical rate-limiting step in the authorisation pipeline. Authorities are aware of these challenges.

Public disclosures have contributed to increased transparency, but further efforts are still needed to enhance standardisation and ensure consistency across providers. CA Recommendation 7 requires disclosure of comprehensive, clear and transparent information by crypto-asset issuers and service providers. In this context, the Turkish authorities have made further efforts to enhance public disclosures, which include the wind-down reporting for exiting entities and the public disclosure platform for disseminating financial and material information. Moreover, CASPs must disclose ownership, permissions, annual reports and significant regulatory events, and update any changes within two business days. Suspensions or licence cancellations are disclosed promptly following CMB notification. Despite these measures, users and auditors noted that proof-of-reserve attestations are point-in-time and do not capture intra-day dynamics, settlement lags or collateral encumbrances. Disclosure formats also remain insufficiently standardised across providers, highlighting the need for further improvements to ensure comparability and reliability.

3.1.3. Regulating and supervising stablecoins

FSB's thematic peer review findings for Türkiye highlighted that a dedicated regulatory framework for stablecoins was not in place, leaving significant gaps in oversight. In an EMDE setting, the absence of a comprehensive regulatory regime for stablecoins is more consequential given higher retail use, stronger FX-linked channels and the potential for digital dollarisation, making clarity on issuance safeguards a core financial-stability concern. In this context, implementing measures in line with the FSB GSC recommendation 9 related to redemption requirements, stabilisation mechanisms and prudential requirements are central to addressing stablecoin-specific risks.

In the absence of a dedicated stablecoin regime, Türkiye regulates these assets primarily through the CASP framework, which governs distribution, trading, and custody activities, while stablecoins with payment functionality, may fall under e-money regulations. However, the framework does not distinguish stablecoins from other crypto-assets, nor does the Capital

Markets Law specifically address their unique features. As a result, stablecoins are treated under the same general rules for activities such as initial sale, trading, and custody, bringing them within broader investor protection and supervisory requirements. The authorities have also set stablecoin transfer limits that serve as an additional supervisory tool. The limits—USD 3,000 daily and USD 50,000 monthly for crypto-to-crypto transfers—allow for time-bound exceptions, typically for corporate clients, subject to approval by each CASP's management board under enhanced due diligence. This approach, while providing some oversight, has two key limitations: (i) the lack of a dedicated issuance framework, which leaves issuers to follow general capital markets rules, with CASPs responsible for assessing compliance; and (ii) the absence of tailored listing requirements addressing stabilisation mechanisms, reserve transparency, or peg history.

Domestic fiat-referenced stablecoins face regulatory uncertainty arising from the absence of clear rules on issuer status, reserve eligibility, redemption rights, and operational dependencies (GSC Recommendation 9). While the CASP framework provides a starting point for regulation, it does not fully address stablecoin-specific risks. Banks have also expressed concerns about onboarding stablecoin-related accounts due to compliance and competition risks. Supervisory visibility remains strongest at domestic intermediaries, but consolidated views across platforms and custodians are not yet available. Visibility diminishes further when activity moves to unhosted wallets or offshore platforms, though planned enhancements to the KVMKS system aim to address these gaps.

Stablecoins are prohibited for domestic payment use under the broader crypto payment ban.[17] However, a recent amendment to the e-money regulation allows certain currency-pegged stablecoins to be treated as equivalent to e-money, creating a potential pathway for their use in payments. While the crypto ban does not apply to e-money, the amendment introduces some uncertainty until the CBRT issues implementing regulations. Meanwhile, anecdotal evidence suggests that unregulated crypto gateway providers are targeting online merchants, complicating enforcement efforts.

In Türkiye, stablecoin activity is largely trading-focused, with significant use cases including moving liquidity between domestic and offshore platforms and hedging against inflation. The widespread use of offshore-issued and foreign-currency-denominated stablecoins adds complexity, as CASPs are the primary regulated entry point for these instruments. However, the lack of specific listing and distribution requirements for foreign-issued stablecoins, as well as the absence of stablecoin-specific cross-border cooperation arrangements, leaves gaps.

Key requirements, such as transparency in reserves, clear redemption practices, and incident management, may be difficult to assess where relevant information from foreign issuers or their home authorities is not available through existing cooperation arrangements. In line with GSC Recommendations 3, 9 and 10, which emphasise effective cross-border cooperation, robust stabilisation mechanisms and reserve transparency, authorities have noted that foreign-currency

[17] CBRT's 2021 Regulation on the Disuse of Crypto Assets in Payments limits direct interaction between crypto-assets and the domestic payment ecosystem. This regulation works through two complementary prohibitions. First, payment service providers are barred from building any business model that incorporates crypto-assets into payment services or e-money issuance. Second, licensed payment and e-money institutions cannot process fund transfers to or from crypto trading, custody, or transfer platforms—where crypto on- and off-ramping remain a prerogative of banks. In this context, the amendment to CBRT Regulation No. 31676 on Payment Services, Electronic Money Issuance, and Payment Service Providers allow currency-pegged stablecoins to be treated as equivalent to e-money, while leaving implementation to future CBRT regulations.

stablecoins may create risks that are not addressed by the e-money framework, including risks to monetary sovereignty, financial stability, and the effectiveness of domestic payment systems. Maintaining appropriate safeguards against the use of foreign currency stablecoins and domestic payments could help mitigate these risks.

From a financial stability perspective, authorities currently view domestic exposures to stablecoins as modest. However, they acknowledge that greater adoption could amplify macro-financial risks, particularly in EMDEs. Key risks include increased FX demand, currency substitution, capital flow volatility, and pressure on bank funding conditions. While stablecoin-specific indicators are still under development, authorities recognise the need to monitor these channels closely as market penetration evolves.

In summary, Türkiye regulates stablecoins through the domestic payment prohibition, withdrawal limits, and the CASP framework. However, the lack of a dedicated issuance regime creates regulatory uncertainty for domestic issuers and leaves gaps concerning reserve and redemption arrangements and intermediary responsibilities. Moreover, as in other EMDEs, the use of foreign-issued, US dollar-denominated stablecoins in the domestic market raises broader policy considerations related to foreign exchange demand, digital dollarisation, monetary policy transmission and cross-border transfers which may require a comprehensive, consistent and coordinated approach across the relevant regulatory and macro-financial frameworks.

3.1.4. Cross-border and domestic cooperation and coordination

Cross-border and domestic cooperation is critical to the effective oversight of crypto-asset markets, and its relevance is greatest for EMDEs. The borderless character of these markets means that no jurisdiction can address the associated risks through domestic action alone. Recognising this, CA and GSC recommendations 3 set out that authorities should cooperate and coordinate with each other, both domestically and internationally, to foster efficient and effective communication, information sharing and consultation. The FSB's thematic peer review found that existing cooperation arrangements, largely designed for traditional finance and focused on discrete functions such as licensing or enforcement, are unlikely to be sufficient for a sector whose operations are global by default. Divergent implementation across jurisdictions creates scope for regulatory arbitrage, with providers able to locate higher-risk activities where requirements are less stringent or information sharing is weaker. For EMDEs, the review highlighted an additional dimension: cooperation and information exchange during the regulatory development phase can help address not only the risks stemming from crypto-assets but also the constraints of resourcing and expertise, making engagement with international bodies and peer authorities a practical channel for capacity building as much as for risk mitigation.

Domestic cooperation on crypto-assets in Türkiye is supported by clearly defined institutional responsibilities and coordination among relevant authorities. The authorities note that existing cooperation arrangements among regulatory and supervisory authorities facilitates information sharing (e.g. statistics on licensing, supervision results) and can be leveraged also in the context of crypto activities. The bank crypto-asset custody services dual-approval process provides a mechanism for CMB-BRSA cooperation ensuring that applications are assessed across both market conduct and banking-sector risk perspectives. This provides a foundation for more structured domestic coordination, which could be strengthened through regular information sharing, joint risk assessments and escalation channels among the relevant financial authorities.

The authorities also noted that the FSC serves as the domestic institutional framework to discuss emerging risks from crypto-assets, and that timely discussions can take place if such risks were to materialise.

Türkiye's cross-border cooperation framework mainly relies on existing international mechanisms. This is consistent with the broader pattern identified in the FSB thematic review, where many jurisdictions use existing cooperation tools for licensing, enforcement or financial crime purposes. In particular, CMB leverages the IOSCO MMoU to exchange information with foreign supervisors on matters such as unauthorised activities, fraud, crypto-asset investigations and fit-and-proper assessments. To date, the CMB has made limited use of the IOSCO MMoU in relation to crypto-asset activities and has not identified any significant shortcomings or challenges with the framework. The CMB may also sign bilateral or multilateral MoUs to facilitate cross-border supervisory activities, including inspections of Turkish branches abroad and subsidiaries of foreign-licensed institutions in Türkiye.

Türkiye does not have a specific approach for cross-border cooperation on stablecoins. As cross-border cooperation on crypto-asset activities currently relies primarily on international frameworks developed for traditional capital markets, gaps may emerge in the oversight of stablecoins, particularly where regulatory and supervisory responsibilities reside with authorities, such as the central bank, that are not parties to the IOSCO MMoU.[18] This potential gap is not mitigated by bilateral arrangements with home regulators of foreign issuers of stablecoins used in Türkiye. Separately MASAK has established a direct communication and cooperation channel with Tether (USDT) for AML/CFT-related information sharing and asset freezing. Given the significant role of foreign-issued stablecoins in the domestic crypto-asset market, these gaps may constrain effective oversight by Turkish authorities. While this reflects a broader international challenge rather than a Türkiye-specific issue, it remains a relevant policy consideration.

4. Conclusions and recommendations

The Turkish authorities have made meaningful progress in regulating crypto-asset markets, bringing a substantial part of domestic activity within the regulatory perimeter. Amendments to the Capital Markets Law and implementing regulations established the legal foundations for oversight of the sector. CMB has introduced a licensing regime for crypto-asset service providers. This is a significant achievement given the scale of domestic adoption, which ranks among the largest in EMDEs, and the speed at which the market has developed. The regime makes clear that service providers should not operate in an unregulated space. It also gives the authorities a supervisory lever to monitor developments and intervene where risks warrant.

Progress in implementing the framework has enhanced the authorities' expertise and deepened their understanding of the risks that crypto-assets pose within the domestic context. Crypto-assets are used in Türkiye predominantly as a store of value and a hedge against currency depreciation. Stablecoins serve as savings instruments and vehicles for cross-border transfers. The authorities' evolving understanding of the associated macroeconomic and financial stability risks is reflected in their supervisory practice. They have taken steps against unauthorised

[18] IOSCO (2025), *Thematic review assessing the implementation of IOSCO recommendations for crypto and digital asset*, October.

activity, including public identification of entities operating without authorisation and taken measures to restrict access to their platforms, and they engage with international counterparts through existing cooperation channels.

At the same time, steps can be taken to further strengthen the regulatory framework for crypto-assets and stablecoin markets. These include strengthening the monitoring of crypto-asset activities and related financial stability risks, enhancing the effectiveness of the CASP framework, implementing measures in line with the FSB's GSC recommendations, and strengthening cross-border and cross-sectoral cooperation.

As for all FSB jurisdictions, Türkiye should undertake further efforts to achieve full and consistent implementation of the FSB's CA and GSC recommendations. Comprehensive implementation is essential to ensure authorities' capacity to monitor the evolving interconnections between the crypto-asset ecosystem and the wider financial system, and to respond effectively should risks materialise. It will also ensure that the domestic regulatory perimeter is sufficiently robust to withstand the cross-border migration of crypto-asset activities towards less regulated jurisdictions.

Recommendation 1: Authorities should continue to prioritise full implementation of the CA and GSC recommendations.

The following sections provide recommendations that have been mapped to specific FSB CA or GSC recommendations.

4.1. Monitoring financial stability risks arising from interconnections and interdependencies

Türkiye should build on existing monitoring capabilities and progressively enhance the integration of crypto-assets into its financial stability surveillance. While authorities have a conceptual understanding of relevant risk channels, more work is needed to identify specific risk indicators and ensure that data from supervisory reporting frameworks is fit for purpose. Developing and operationalising such metrics and indicators will be a gradual process, shaped by the quality and granularity of available data. Initial metrics, such as household exposures to crypto flows, changes in FX flow volumes and composition, and trading activity trends, could provide a useful starting point. Over time, tracking these metrics would help build a clearer picture of how crypto-related risks interact with broader macro-financial vulnerabilities.

The authorities should establish comprehensive, consistent and comparable data to develop informative and forward-looking metrics for monitoring crypto market risks. This would require taking a proactive approach to explore how existing supervisory, including KVMKS, and other sources of data might be translated into financial stability monitoring. Efforts should focus on enhancing the granularity, completeness, and consistency of supervisory data, which would enable authorities to distinguish routine developments from activities that may require escalation due to factors such as scale, concentration, currency denomination, cross-border nature, or links to regulated financial institutions.

Supervisory information should be complemented with alternative data sources to improve the assessment of activities not fully captured through domestic reporting frameworks. These data

sources could include on-chain analytics, cross-border transaction data, or periodic surveys to monitor residents' preferences and risk propensity. Integrating them into existing data infrastructure could help authorities better understand the scope of activities that are not yet within the regulatory perimeter. Such complementary sources would be particularly relevant where domestic supervisory data provides incomplete visibility over cross-border or offshore activity. Integrating these sources with existing supervisory information could support a more comprehensive assessment of interconnections, risk drivers and potential contagion channels.

Recommendation 2: **Authorities should prioritise implementation of CA recommendation 8 and progressively develop a more systematic and forward-looking approach to identify and monitor financial stability risks by:**

- **assessing relevant interconnections, both within the crypto-asset ecosystem, as well as between the crypto-asset ecosystem and the wider financial system; and,**
- **identifying key risk indicators to monitor crypto-asset risks and establishing robust systems for data collection, including integration of off-chain and on-chain data analyses outputs, related to these indicators.**

4.2. Enhancing the effectiveness of the implementation of the CASP regulatory framework

Türkiye has introduced a regulatory and supervisory framework that combines activity- and entity-based approaches. While this enables supervisory specialisation, it requires effective coordination across authorities, including CMB and BRSA, to ensure mandates are effectively discharged. The CASP framework has progressed from design to implementation. However, the authorisation process has been slower and less predictable than expected, resulting in deadline extensions and a prolonged transitional period. While the framework provides a strong foundation, gaps remain in timely licensing and execution, as highlighted by the end-March 2026 extension of transitional arrangements. Addressing these challenges is critical to fully align with CA recommendation 1 which emphasises the importance of creating predictable and efficient regulatory processes.

Structural bottlenecks in provision of assurance are lengthening end to end timelines. TÜBİTAK technical reviews do not have statutory time limits, private sector supply of ICT audit is tight with frequent remediation cycles, and custodianship capacity did not initially scale with expectations. These factors have delayed exchange and custodian licensing. Addressing these bottlenecks is essential to ensure the framework aligns with CA Recommendation 9.

As Türkiye implements its CASP regulation, implications for market structure and CASP operations may become an important area of supervisory attention, particularly with respect to interconnectedness. CA Recommendation 6 and 8 call for jurisdictions to address risks related to data collection, exposures, and interconnections within the crypto-asset ecosystem, as well as between the crypto-asset ecosystem and the broader financial system. These recommendations emphasise ensuring that supervisory frameworks adequately identify, monitor, and mitigate such risks. In this context, areas for consideration include: (i) whether intra-group funding exposures and operational links could increase contagion risks, and whether the consolidated supervision toolkit is adequate to identify, monitor and mitigate those risks across

both bank and non-bank group; (ii) whether custodians that provide services to multiple, unaffiliated platforms, likely a small subset of authorised firms, could become critical nodes in the crypto-asset ecosystem, creating concentration and contagion risks if their services are disrupted. A related supervisory issue is the treatment of crypto-asset holdings by bank crypto subsidiaries, given the absence of formal rules on banks' crypto-asset exposures and reliance on an unwritten no-direct-exposure policy. These insights can inform ongoing supervisory work and help refine the regulatory framework over time.

Third-party assurance remains uneven. CA Recommendation 7 emphasises the importance of effective disclosure and transparency measures to ensure robust oversight of crypto-asset activities. However, variability in the scope and depth of ICT audits and proof of reserve work, coupled with the absence of standard deliverables/templates, constrain comparability and slow supervisory decisions during early-stage oversight. The CMB reported actions against unauthorised activity and completion of initial on-site cycles for active platforms. For entities in the process of wind down, weekly returns and complaint data serve as supervisory tools, but further improvements in standardisation and transparency are needed to fully align with the recommendation.

Practical implementation challenges in the high-assurance model persist. While the framework is intentionally demanding by design, challenges could be mitigated through clearer process guidance and more standardised requirements to enhance regulatory certainty and predictability. Repeated remediation cycles at the TÜBİTAK stage, and implementation demands stemming from data/private-key localisation and prescriptive custody controls are manageable for well-prepared applicants but pose planning challenges when expectations, deliverables and timelines are not explicit.

Reporting and disclosure practice would benefit from greater consistency and timeliness, in line with CA Recommendations 6 and 7, which emphasise the importance of ensuring that authorities have access to accurate, timely, and comprehensive information to monitor risks effectively. While KVMKS submissions are in place, data quality and timing remain uneven, with issues such as intermittent transmission, incomplete fields, and limited reconciliation with custodian records, reducing the utility of weekly feeds for supervisory analysis. Furthermore, proof-of-reserve disclosures are point-in-time and lack standardisation, while incident and outage notification formats vary across firms, making it difficult to compare and assess risks consistently. Improving the consistency, reliability, and timeliness of reporting would enhance supervisory oversight and strengthen market transparency.

Türkiye has not implemented the BCBS standard on the prudential treatment of banks' crypto-asset exposures (SCO60), but the authorities view the risk as mitigated. At present, the BRSA's supervisory expectation is that banks should not hold crypto-assets or engaging in proprietary trading on their own balance sheets at individual level, and their involvement is limited to custody services under strict regulations. Crypto-asset platform activities are confined to separately licensed subsidiaries, ring-fencing them from core banking operations. While these measures limit direct exposure, group-level risks from intra-group exposures and custody services remain, including operational, legal, and reputational risks. While the authorities view existing prudential standards as sufficient, the implementation of SCO60 could be reconsidered in the future if banks' permissible crypto-asset activities broaden or there are further international regulatory developments.

Recommendation 3: Authorities should enhance the implementation of the CASP framework in line with CA Recommendations 1, 6, 7, 8, and 9, by:

- **completing the transition from interim registration to licensing on a defined schedule, communicating expected timeframes for each stage of the process;**
- **engaging audit firms on common findings, and addressing bottlenecks in the review pipeline;**
- **enhancing consistency in key disclosure elements, such as proof-of-reserve presentation and incident reporting, and improving the completeness and timeliness of KVMKS submissions; and,**
- **assessing the treatment of crypto-asset exposures of banks and their subsidiaries and reviewing prudential requirements for CASPs to ensure that relevant risks are appropriately addressed, including consideration of future alignment with BCBS standards on crypto-asset exposures.**

4.3. Implementing measures in line with the GSC recommendations

Türkiye has several regulated entry points in place, but a dedicated stablecoin issuance regime is not yet established. Current regulations include the prohibition on using crypto-assets for domestic payments, AML/CFT controls (including MASAK's transaction-level limits on certain stablecoin transfers), and the broader CASP framework for trading and custody. The prospective use of payments and e-money legislation to address the regulatory treatment of fully backed fiat-pegged stablecoins would partially fill the gap; however, policy direction and timing have not yet been set. The prominence of foreign-currency-denominated stablecoins adds EMDE-specific considerations.

The analysis identifies three areas that could help guide the further development of Türkiye's stablecoin framework in line with the GSC recommendations**.** First, the authorities could consider how the framework should reflect the use of stablecoins for hedging against TRY depreciation, value preservation and transfers to offshore platforms, while monitoring any potential implications for financial stability d (aligned with GSC Recommendation 2, which highlights the importance of addressing risks to financial stability). Second, as the market includes both a domestic-currency stablecoin and widely used foreign-currency-denominated and foreign-issued stablecoins, the authorities could consider whether differentiated requirements would be appropriate, taking into account their different characteristics and risks in a way that supports legitimate activity while mitigating macro-financial risks (aligned with GSC Recommendation 3, which emphasizes the need for effective regulatory, supervisory, and oversight frameworks for cross-border stablecoins). Third, while the existing framework provides for a clear allocation of responsibilities, continued coordination among the relevant authorities will be important as the framework develops and stablecoin use cases evolve (aligned with GSC Recommendation 1, which calls for clarity in roles and responsibilities among authorities to ensure effective oversight). These considerations inform the measures discussed below regarding issuer requirements, the interaction with payments and e-money legislation, and the distribution of foreign-issued stablecoins.

Closing the remaining gaps in the stablecoin regulatory framework requires the following:

- Regulation of fiat pegged stablecoins should include requirements for effective stabilisation mechanisms, transparent reserve management, and clear redemption rights, as outlined in GSC Recommendation 9. It is also important to clarify how such instruments interact with payments and e-money legislation, taking into account the current prohibition on the use of crypto-assets for domestic payments. Where the e-money framework is chosen as the relevant regime, this should take account of the currency denomination of stablecoins and the intersection with the CASP regime.

- Maintaining appropriate safeguards for foreign-currency stablecoins, which may create risks that are not addressed by the e-money framework, including by maintaining a clear separation between such stablecoins and domestic payments.

- Tightening controls on distribution of foreign currency-denominated stablecoins through domestic CASPs, including through targeted requirements for peg stability, reserve composition and transparency, including attestations and auditing, and taking into account the regulatory and prudential framework applicable to issuers outside Türkiye. Other relevant measures include the monitoring and regulation of offshore access and transfer channels, and cooperation with home authorities of relevant issuers or global platforms through which these instruments are offered or traded (aligned with GSC Recommendation 3 and 8, which respectively focus on cross border cooperation with foreign authorities and transparency).

- Clarifying the stablecoin taxonomy, including whether and how asset-linked stablecoins would fall under the Capital Markets Law, so that the framework can address different business models without leaving regulatory gaps.

Closing these gaps warrants a coordinated regulatory approach. Further development of the framework could be sequenced in line with the policy priorities and implementation capacity, focusing on the most material risks while establishing a clear pathway towards addressing the identified stablecoin-specific regulatory gaps. Stablecoin arrangements may not align neatly with traditional regulatory boundaries. Clear criteria for determining the regulatory treatment of stablecoins, particularly those used for payments, would help delineate responsibilities among authorities. Coordination among the authorities would be essential to ensure consistency across areas such as issuance, payment-related requirements, FX regulations, and the listing and distribution of stablecoins. Close collaboration among the relevant authorities would therefore be important to ensure a coherent and comprehensive framework.

Recommendation 4: The authorities should take further measures in line with the GSC recommendations 1, 2, 3, 8, and 9, by:

- **establishing issuer requirements tailored to fiat-currency referenced stablecoins, including redemption rights, effective stabilisation mechanisms and prudential requirements, and clarifying the interaction with payments and e money legislation, while maintaining appropriate safeguards against the use of foreign-currency-denominated stablecoins in domestic payments.**

- **enhancing the measures for the distribution and circulation of foreign issued, foreign currency-denominated stablecoins through domestic CASPs, including targeted expectations for stabilisation mechanisms, reserve asset composition and transparency, and enhanced cooperation with an issuer's home authority.**

4.4. Strengthening the cross-border and cross-sectoral cooperation

Building domestic institutional arrangements that further support regular information sharing and joint financial stability assessments would further strengthen Türkiye's ability to identify and respond to emerging crypto-related risks. International experience suggests that effective financial stability oversight extends beyond allocating supervisory responsibilities and increasingly relies on regular coordination among authorities responsible for financial stability, prudential supervision, market conduct, payments and AML/CFT. The FSB's thematic peer review found that many jurisdictions are moving towards more structured arrangements for exchanging supervisory information, jointly assessing emerging risks and coordinating responses across authorities. As implementation of Türkiye's regulatory framework progresses, consideration could therefore be given to establishing regular arrangements at the Turkish FSC for sharing supervisory information, jointly assessing systemic risks and periodically reviewing key indicators related to crypto-assets and stablecoins. This would strengthen the operationalisation of the evolving framework while remaining proportionate to the current size and interconnectedness of the domestic crypto market.

Although the current approach to cross-border cooperation and information sharing appears sufficient for Türkiye's current needs, this initial assessment may change as supervision and oversight become more established. Current arrangements remain largely untested for routine CASP supervision, outsourcing arrangements, and for the onward sharing of information with other domestic authorities. A potential asymmetry may arise between the CMB, as a party to the IOSCO MMoU, and the CBRT, as the likely regulator of fiat-pegged stablecoins. Bilateral MoUs are in place, but they do not provide dedicated channels or arrangements for crypto-assets or stablecoins.

The absence of multilateral oversight arrangements for GSCs remains a global challenge. Relevant domestic, regional and international fora could provide an avenue for Turkish authorities to raise related challenges and concerns as they arise.

Recommendation 5: Authorities should continue to develop and periodically review existing cooperation and information-sharing arrangements, **both domestically and internationally, to ensure that they remain aligned with evolving supervisory and oversight needs.**

Annex 1: Türkiye's implementation of G20 reforms (as of January 2026)

This table presents the status of implementation of G20 financial regulatory reforms, drawing on information from various sources. The tables below distinguish between priority areas that undergo more intensive monitoring and detailed reporting via progress reports and peer reviews, and other areas of reform whose monitoring is based on annual survey responses by FSB member jurisdictions. See here for further information.

IMPLEMENTATION STATUS OF REFORMS IN PRIORITY AREAS

Reform Area	BASEL III					COMPENSATION	OVER-THE-COUNTER (OTC) DERIVATIVES				RESOLUTION					NON-BANK FINANCIAL INTERMEDIATION		
	Risk-based capital	Require-ments for SIBs	Large exposures framework	Leverage ratio	Net Stable Funding Ratio (NSFR)		Trade reporting	Central clearing	Platform trading	Margin	Minimum external TLAC for G-SIBs	Transfer / bail-in / temporary stay powers for banks	Recovery and resolution planning for systemic banks	Transfer / bridge / run-off powers for insurers	Resolution planning for SI>1 CCPs	Money market funds (MMFs)	Securiti-sation	Securities financing transactions (SFT)
Agreed phase-in (completed) date	*2023*	*2016 (2019)*	*2019*	*2023*	*2018*		*end-2012*	*end-2012*	*end-2012*	*2016 (2022)*	*2019/2025 (2022/2028)*							*2017/2023*
Status			C		C											**		

Legend: Final rule or framework implemented. Final rule published but not implemented, draft regulation published or framework being implemented. Draft regulation not published or no framework in place (dark red colour indicates that deadline has lapsed). Requirements reported as non-applicable. Basel III: **C**=Compliant, **LC**=Largely compliant, **MNC**=Materially non-compliant, **NC**=Non-compliant. Compensation: B,I=Principles and Standards deemed applicable only for banks (B) and/or insurers (I). OTC derivatives: R/F=Further action required to remove barriers to full trade reporting (R) or to access trade repository data by foreign authority (F). Non-bank financial intermediation: */**=Implementation is more advanced in one or more/all elements of at least one reform area (money market funds), or in one or more / all sectors of the market (securitisation). Resolution: Final rule for external TLAC requirement for G-SIBs published but not yet implemented, or draft rule published. For the powers columns, one or two of the resolution powers for banks (transfer, bail-in of unsecured and uninsured credit claims, and temporary stay) and insurers (transfer, bridge and run-off) are available. Recovery planning is in place for systemic banks, but resolution planning processes are not. For SI>1 CCP resolution planning, CMG established and resolution planning commenced but CoAg not signed or resolvability assessment not commenced. More information on legend provided in Annex 2 of FSB's 2025 annual report.

Notes: CCPs=Central counterparties. G-SIBs=Global Systemically Important Banks. TLAC=Total Loss-Absorbing Capacity. SI>1=Systemically important in more than one jurisdiction.

Source: FSB, *Promoting Global Financial Stability: 2025 FSB Annual Report*, March 2026.

IMPLEMENTATION STATUS OF REFORMS IN **OTHER AREAS**

Reform area	Hedge funds			Securitisation			Supervision				Macroprudential frameworks and tools	
	Registration, appropriate disclosures and oversight of hedge funds	Establishment of international information sharing framework	Enhancing counterparty risk manage-ment	Strengthen-ing of regulatory and capital framework for monolines	Strengthening supervisory requirements or best practices for investment in structured products	Enhanced disclosure of securitised products	Consistent, consolidated supervision and regulation of SIFIs	Establishing supervisory colleges and conducting risk assessments	Supervisory exchange of information and coordination	Strengthen-ing resources and effective supervision	Establishing regulatory framework for macroprudential oversight	Enhancing system-wide monitoring and the use of macropru-dential instruments
Status	REF*	REF	REF*	N/A*	REF	N/A	REF	N/A*	REF	REF	REF	REF

Reform area	Credit rating agencies		Accounting standards	Risk management		Deposit insurance	Integrity and efficiency of financial markets		Financial consumer protection
	Enhancing regulation and supervision of CRAs	Reducing the reliance on ratings	Consistent application of high-quality accounting standards	Enhancing guidance to strengthen banks' risk management practices	Enhanced risk disclosures by financial institutions		Enhancing market integrity and efficiency	Regulation and supervision of commodity markets	
Status	REF*	IOG	REF	REF	REF	IOG	REF	IOG	REF

Legend: REF=Implementation reported as completed. IOG=Implementation reported as ongoing. ABN=Applicable but no action envisaged at the moment. N/A=Not applicable. *=collected in previous year(s) for all members.

Notes: The FSB has not undertaken an evaluation of survey responses to verify the status or assess the effectiveness of implementation. In a number of cases, the complexity of the reforms and the summarised nature of the responses does not allow for straightforward comparisons across jurisdictions or reform areas. In particular, reforms whose status in a particular area is reported as complete should not be interpreted to mean that no further policy steps (or follow-up supervisory work) are anticipated in that area. CRA = Credit Rating Agency, SIFI = Systemically important financial institution.

Source: FSB, *Jurisdictions' Responses to the IMN Survey*.

Other information					
Latest IMF-World Bank FSAP: Jan 2023	Latest FSB Country Peer Review: 2015	Home jurisdiction of G-SIBs: no	Signatory of IOSCO MMoU: yes	Signatory of IAIS MMoU: yes

The following table presents the steps taken to date and actions planned by the Turkish authorities in core reform areas (not covered in this peer review) where implementation has not yet been completed. The actions mentioned below have not been examined as part of the peer review and are presented solely for purposes of transparency and completeness.

Reform area	Steps taken to date and actions planned (including timeframes)
Final Basel III framework	
Risk-based capital	Basel III Final draft regulations have been published, and following the issuance of the final regulation, a parallel run is planned to begin in the second half of 2026, after which full implementation will start.
Leverage	The draft work related to the leverage regulation is published, and it is expected to start being implemented in 2027.
Over-the-counter (OTC) derivatives	
Central clearing	Since our last implementation notices, there have been no changes to the application or the projected timeline.
Platform trading	There have been no changes to the application or the projected timeline.
Margin	There have been no changes to the application or the projected timeline.
Resolution	
Transfer / bail-in / temporary stay powers for banks	Planned reforms for whole P&A without ownership condition. Planned reforms delayed since the draft has not been enacted.
Recovery and resolution planning for systemic banks	Recovery planning is in place for systemic banks since 2020. Planned reforms for resolution planning for systemically important banks. Planned reforms delayed since the draft has not been enacted.
Transfer / bridge / run-off powers for insurers	-
Non-Bank Financial Intermediation	
Money market funds	There have been no changes to the application.
Securities financing transactions	There have been no changes to the application.