

**REGULATION ON MEASURES REGARDING PREVENTION OF LAUNDERING
PROCEEDS OF CRIME AND FINANCING OF TERRORISM
(Published in the Official Gazette dated 09/01/2008 with the number 26751)**

**CHAPTER ONE
Objective, Scope, Legal Basis, Definitions**

Objective and Scope

ARTICLE 1 – (1) The objective of this regulation, for the implementation of Law No. 5549 on Prevention of Laundering Proceeds of Crime dated 11/10/2006, is to regulate principles and procedures regarding obliged parties, obligations and supervision of compliance with obligations, disclosure to customs administration and other measures for the purpose of preventing laundering proceeds of crime and financing of terrorism.

Legal base

ARTICLE 2 – (1) This Regulation has been drawn up on the basis of Article 27 of Law No. 5549.

Definitions

ARTICLE 3 – (1) In this Regulation;

- a) Payable-through account means the type of account that is opened in a financial institution located in Turkey within the scope of correspondent relationship by a financial institution located abroad, and that enables customers of the foreign financial institution to draw cheques,
- b) The Ministry means the Ministry of Finance,
- c) MASAK means Financial Crimes Investigation Board,
- ç) Head of MASAK means Head of Financial Crimes Investigation Board,
- d) **(Amended – Official Gazette – 10.06.2014/29026)** Examiner means Tax Inspectors, Customs and Trade Inspectors, Sworn-in Bank Auditors, Treasury Comptrollers, Insurance Supervisory Experts and Actuaries, Banking Regulation and Supervision Agency Experts and Capital Markets Board Experts,
- e) Wire transfer means the transaction carried out to transfer a certain amount of money and securities from a financial institution on behalf of the originator to the beneficiary persons in another financial institution by using electronic means,
- f) Financial Institution means obliged parties listed in subparagraphs (a) to (h) of paragraph 1 of Article 4 of this Regulation and General Directorate of Post pertaining only to its banking activities,
- g) The Law means The Law No. 5549 on Prevention of Laundering Proceeds of Crime dated 11/10/2006,
- ğ) Assets mean money, any kind of movable or immovable, tangible or intangible goods or rights which have monetary value, and any kind of legal documents or instruments certifying rights on them,
- h) **(Amended – Official Gazette – 10.06.2014/29026)** Beneficial owner means natural person(s) who ultimately control(s) or own(s) natural person who carry out a transaction within an obliged party, or the natural persons, legal persons or unincorporated organizations on whose behalf a transaction is being conducted within an obliged party,

i) Risky countries mean the countries that are announced by the ministry out of those which do not have sufficient laws and regulations on prevention of money laundering and financing of terrorism, which do not cooperate on combating these offences or are considered risky countries by competent international organizations

i) (**Amended: Official Gazette- 02.01.2010 /27450**) Permanent Business Relationship means a business relationship that is established between obliged parties and their customers through services such as opening an account, lending loan, issuing credit cards, safe-deposit boxes, financing, factoring or financial leasing, life insurance and individual pension, and that is permanent due to its characteristics¹,

j) Shell bank means a bank which does not have any physical office in any country, does not employ full time staff and is not subject to control and authorization of an official authority in terms of banking transactions and registrations,

k) Compliance officer means the officer assigned by obliged parties who is vested the required authority for ensuring compliance with obligations introduced by law and legislation effected based on the law.

l) Traveller means persons holding valid passports or documents substituting passport, and arriving at border gates to enter into or to leave Turkey.

CHAPTER TWO

Obligations

Obliged party

ARTICLE 4- (1) In implementation of the Law, obliged parties are the followings and their branches, agencies, representatives, commercial proxies and similar affiliated units:

a) Banks.

b) Institutions other than banks who have the authority to issue bank cards or credit cards.

c) Authorized exchange offices given in legislation on foreign exchange.

ç) (**Amended: Official Gazette- 18.03.2016 /29657**) Financing and factoring companies.¹

d) (**Amended: Official Gazette- 18.03.2016 /29657**) Capital Markets Brokerage Houses and portfolio management companies.²

e) (**Amended: Official Gazette- 18.03.2016 /29657**) Payment service providers and electronic money institutions³

f) Investment partnerships.

g) (**Amended: Official Gazette- 02.01.2010 /27450**) Insurance, reinsurance and pension companies, and insurance and reinsurance brokers⁴.

ğ) Financial leasing companies.

h) Institutions furnishing settlement and custody services within the framework of capital markets legislation.

ı) (**Amended: Official Gazette- 18.03.2016 /29657**) Borsa Istanbul A.Ş. (Incorporation) pertaining only to its custody service related with Precious Metals and Precious Stones Market.⁵

i) (**Amended: Official Gazette- 18.03.2016 /29657**) PTT Corporate (Company of Post and Telegraph Organisation) and cargo companies,⁶

¹ Before Amendment: ç) Money lenders, financing and factoring companies within the scope of legislation on money lending.

² Before Amendment: d) Capital Markets Brokerage Houses, Future Brokerages and portfolio management companies

³ Before Amendment: e) Investment Fund managers

⁴ Before Amendment: Official Gazete-09.01.2008/26751): Insurance, reinsurance and pension companies

⁵ Before Amendment: ı) Presidency of Istanbul Gold Exchange pertaining only to its custody service

- j) Assets management companies.
- k) Dealers of precious metals, stones and jewelleryes.
- l) Directorate General of Turkish Mint pertaining only to its activities of minting gold coins.
- m) **(Amended: Official Gazette- 18.03.2016/29657)** Precious metals intermediaries.⁷
- n) Those who buy and sell immovables for trading purposes and intermediaries of these transactions.
- o) Dealers of any kind of sea, air and land transportation vehicles including construction machines.
- ö) Dealers and auctioneers of historical artifacts, antiques and works of art.
- p) Those who operate in the field of lotteries and betting including Turkish National Lottery Administration, Turkish Jockey Club and Football Pools Organization Directorate.
- r) Sports Clubs.
- s) Public notaries.
- ş) *Freelance lawyers pertaining only to functions within the scope of paragraph 2 in Article 35 of Law No. 1136 on Lawyers such as trading of immovables, establishing, managing and transferring companies, foundations and associations provided that these functions are not contrary, in terms of right of defending, to provisions of other laws.*
- t) **(Amended: Official Gazette- 02.01.2010 /27450)** Certified general accountants, certified public accountants and sworn-in certified public accountants operating without being attached to an employer².
- u) **(Added: Official Gazette- 02.01.2010 /27450)** Independent audit institutions authorized to conduct audit in financial markets
- (2) **(Added: Official Gazette- 02.01.2010 /27450)** Branches, agencies, representatives, commercial representatives and similar affiliated units located in Turkey and pertaining to obliged parties whose head offices are abroad shall be deemed obliged within the scope of Paragraph 1.
- (Amended number: Official Gazette- 02.01.2010 /27450)** (3) Abroad branches, agencies, representatives, commercial representatives and similar affiliated units of obliged parties whose head offices are in Turkey shall implement the provisions of this Regulation to the extent that the legislation and competent authorities of the country where they are located permit.

CHAPTER THREE

Principles Regarding Customer Due Diligence

Customer identification

ARTICLE 5 – (1) Obligated parties shall identify their customers or those who act on behalf or for the benefit of their customers by receiving their identification information and verifying it

- a) Regardless of the monetary amount when establishing permanent business relationships;
- b) When the amount of a single transaction or the total amount of multiple linked transactions is equal to or more than twenty thousand **(Amended: Official Gazette - 02.01.2010 /27450)** TL³;

⁶ Before Amendment: i) General Directorate of Post and Telegraph Organisation

⁷ Before Amendment: m) Precious metals exchange intermediaries

c) When the amount of a single transaction or the total amount of multiple linked transactions is equal to or more than two thousand (**Amended statement: Official Gazette - 02.01.2010 /27450**) TL⁴ in wire transfers;

ç) (**Abolished: Official Gazette - 02.01.2010 /27450**)⁵

d) Regardless of the monetary amount in cases requiring STR;

e) Regardless of the monetary amounts in cases where there is suspicion about the adequacy and the accuracy of previously acquired identification information.

(2) Customer identification shall be completed before the business relationship is established or the transaction is conducted.⁶

(3) (**Amended: Official Gazette - 02.01.2010 /27450**) When establishing permanent business relationship, information on the purpose and intended nature of the business relationship shall be received.

Customer identification of natural persons

ARTICLE 6 – (Amended: Official Gazette - 02.01.2010 /27450) (1) In customer identification of natural persons, their name, surname, place and date of birth, nationality, type and number of the identity card, address, sample of signature, and telephone number, fax number, e-mail, if any, and information on job and profession, and for Turkish citizens, as additional information, the names of mother and father and T.R. identity number shall be received.⁷

(2) Name and surname, place and date of birth, mother's and father's name, nationality, type and number of the identity card of the person concerned shall be verified through

a) T.R. identity card, T.R. driving license or passport for Turkish citizens;

b) Passport, certificate of residence or any type of identity card considered proper by the Ministry for non-Turkish citizens.

After originals or notarized copies of documents which are subject to verification are submitted, their legible photocopy or electronic image shall be received or information regarding the identity shall be recorded in order for submittal upon request of authorities.

(3) The address submitted while establishing permanent business relationship shall be verified through a certificate of residence, any utility bill drawn up within the previous three months from the date of transaction for a service requiring subscription such as electricity, water, natural gas, telephone, any document issued by a public institution or through any other documents or methods approved by MASAK. Legible photocopies or electronic image of the documents to be verified shall be received or the information specific to them shall be received.

(4) (**Abolished: Official Gazette - 02.01.2010 /27450**).⁸

Customer identification of legal persons registered to trade registry

ARTICLE 7 – (Amended paragraph: Official Gazette - 02.01.2010 /27450) (1) In customer identification of legal persons registered to trade registry, the title of the legal person, its trade registry number, tax identity number, field of activity, full address, telephone number, fax number and e-mail, if any, and the name, surname, place and date of birth, nationality, type and number of the identity card, and a sample signature of the person authorized to represent the legal person and for Turkish citizens, as additional information, the names of mother and father and T.R. identity number shall be received.⁹

(2) The title of the legal person, its trade registry number, field of activity, full address shall be verified through documents of registration to the trade registry; its tax identity number shall be verified through documents drawn up by the related unit of Revenue Administration.

(3) Identification information of persons authorized to represent the legal person shall be verified through identity cards stipulated in Article 6; and their authority to represent shall be verified through documents of registration.

(4) After originals or notarized copies of documents which are subject to verification are submitted, their legible photocopy or electronic image shall be received or information regarding the identity shall be recorded in order for submittal upon request of authorities.

(5) In establishing permanent business relationship, financial institutions shall verify through consulting records kept by the related trade registry office or the database of Turkish Union of Chambers and Commodity Exchanges whether the information given in registration documents submitted to them are up-to-date and correct.

(6) **(Abolished: Official Gazette - 02.01.2010 /27450)**¹⁰

(7) In case of a request of transaction, within the scope of an existing permanent business relationship, on behalf of the legal person by a written instruction of the person authorized to represent the legal person the authenticity of the identification information of the person authorized to represent the company may be verified through a notarized signature circular comprising the information in identity cards provided that there is no doubt that the instruction is from the representative of the company.

Customer identification of associations and foundations

ARTICLE 8 – (1) (Amended first sentence: Official Gazette - 02.01.2010 /27450) In customer identification of associations the name of the association, its aim, log number, full address, telephone number, fax number and e-mail, if any, and the name, surname, place and date of birth, nationality, type and number of the identity card and sample signature, and for Turkish citizens, as additional information, the names of mother and father and T.R. identity number of the person authorized to represent the association shall be received.¹¹ The name, aim, log number and full address of the association shall be verified through the charter of the association and documents of registry in the associations' log; the identification information of the person authorized to represent the association shall be verified through identity cards stipulated in Article 6; and the authority to represent shall be verified through documents of authorization to represent.

(2) **(Amended first sentence: Official Gazette - 02.01.2010 /27450)** In customer identification of foundations the name of the foundation, its aim, central registry record number, full address, telephone number, fax number and e-mail address, if any, and the name, surname, place and date of birth, names of mother and father, nationality, type and number of the identity card and sample signature of the person authorized to represent the foundation and for Turkish citizens the additional information as the names of mother and father and T.R. identity number shall be received.¹² Name, central registry record number, full address of the foundation shall be verified through foundation deed and records kept by the General Directorate of Foundations; the identity information of the person authorized to represent the foundation shall be verified through identity cards stipulated in Article 6; and the authority to represent shall be verified through documents of authorization to represent.

(3) After originals or notarized copies of documents which are subject to verification are submitted, their legible photocopy or electronic image shall be received or information regarding the identity shall be recorded in order for submittal upon request of authorities.

(4) **(Abolished: Official Gazette - 02.01.2010 /27450)**¹³

(5) Customer identification for branches and representatives of foreign associations and foundations in Turkey shall be conducted depending on registry documents in the Ministry of Interior.

Customer identification of trade unions and confederations

ARTICLE 9 – (1) (Amended first sentence: Official Gazette - 02.01.2010 /27450) In customer identification of trade unions and confederations the name of the organization, its aim, registry number, full address, telephone number, fax number and e-mail, if any, and the name, surname, place and date of birth, nationality, type and number of the identity card of the person and sample signature of the person authorized to represent the trade unions and confederations and for Turkish citizens the additional information as the names of mother and father and T.R. identity number shall be received.¹⁴ The information gathered shall be verified through charter of these organizations and the records kept by local directorates of Ministry of Labor and Social Security; the identity information of the person authorized to represent the organization shall be verified through identity cards stipulated in Article 6; and the authority to represent shall be verified through documents of registration or documents of authorization to represent.

(2) After originals or notarized copies of documents which are subject to verification are submitted, their legible photocopy or electronic image shall be received or information regarding the identity shall be recorded in order for submittal upon request of authorities.

(3) (**Abolished: Official Gazette - 02.01.2010 /27450**)¹⁵

Customer identification of political parties

ARTICLE 10- (1) (Amended first sentence: Official Gazette - 02.01.2010 /27450) In the customer identification of political parties, the name of the relevant unit of the political party, its full address, telephone number, fax number and e-mail address, if any, and name, last name, place and date of birth, nationality, type and number of the identity card and sample signature of the person authorized to represent and for Turkish citizens the additional information as the names of mother and father and T.R. identity number shall be received.¹⁶ Name and address of the relevant unit of the political party shall be verified through their charter identity of the person authorized to represent shall be verified through the identity documents stipulated in Article 6, the authority to represent shall be verified through documents of authorization to represent.

(2) After the originals or notarized copies of documents which are subject to verification are submitted, their legible photocopy or electronic image shall be received or information regarding the identity shall be recorded in order for submittal upon request of authorities.

(3) (**Abolished paragraph: Official Gazette - 02.01.2010 /27450**)¹⁷

Customer identification of non-resident legal persons

ARTICLE 11- (Amended – Official Gazette – 10.06.2014/29026) (1) Customer identification of non-resident legal persons shall be made through copies of the documents approved by the consulates of the Republic of Turkey corresponding to the documents in related country required for legal persons residing in Turkey or through the copies of the documents attached apostille by an authority of the country which is a party to the “Convention on Abolishing the Requirement of Legislation for Foreign Public Documents”. Also, in the framework of risk-based approach, when necessary, identity information shall be verified through notarized Turkish translations of copies of the documents.

Customer identification of unincorporated organizations

ARTICLE 12- (1) **(Amended first sentence: Official Gazette - 02.01.2010 /27450)** In transactions carried out on behalf of unincorporated organizations such as building, housing estate or office block management, the name of the organization, its full address, telephone number, and fax number and e-mail address, if any, and name, last name, place and date of birth, nationality, type and number of the identity document and sample signature of the person authorized to represent the organization and for Turkish citizens the additional information as the names of mother and father and T.R. identity number shall be received.¹⁸ The identity information of the person authorized to represent the organization shall be verified through the identity documents stipulated in Article 6, and the organization information and the authorization of the person acting on behalf of the organization shall be verified through notarized docket.

(2) **(Amended first sentence: Official Gazette - 02.01.2010 /27450)** In customer identification of organizations such as unincorporated joint venture the name of the joint venture, its aim, its full address, telephone number, and fax number and e-mail address, if any, and name, last name, place and date of birth, nationality, type and number of the identity document and sample signature of the person authorized to represent the organization and for Turkish citizens the additional information as the names of mother and father and T.R. identity number shall be received.¹⁹ Information indicating the name, aim, activity field and the address of the partnership shall be verified through notarized partnership agreement, tax identification number shall be verified through the certificates drawn up by the relevant unit of Revenue Administration, identity of persons requesting transaction on behalf of the joint venture shall be verified through identity documents stipulated in Article 6, authorization shall be verified through the documents indicating the authority to represent.

(3) After the originals or notarized copies of documents which are subject to verification are submitted, their legible photocopy or electronic image shall be received or information regarding the identity shall be recorded in order for submittal upon request of authorities.

(4) **(Abolished: Official Gazette - 02.01.2010 /27450)**²⁰

Customer identification of public institutions

ARTICLE 13- (1) In transactions in which the public administrations in the scope of general administration in accordance with the Public Financial Management and Control Law No. 5018 and quasi public professional organizations are customers, the person making transactions on behalf of these bodies shall be identified in accordance with Article 6. Authorization is verified through the certificate of authority arranged in accordance with the legislation.

Customer identification of those acting on behalf of others

ARTICLE 14- (1) In the event that a transaction is requested on behalf of legal persons or unincorporated organizations by persons who are given the authority by the persons authorized to represent;

a) Customer identification of legal persons and unincorporated organizations shall be carried out in accordance with Articles 7 to 12.

b) Customer identification of persons authorized to represent legal persons or unincorporated organizations and the persons who are given the authority by persons authorized to represent shall be carried out in accordance with the procedure in Article 6. In cases where the customer

identification of the person authorized to represent cannot be carried out through the identity documents specified in Article 6, the customer identification shall be carried out through power of attorney or circular of signature provided that they contain the information specified in identity documents and that they are notarized.

c) Authorization of persons who are given the authority by the persons authorized to represent shall be verified through notarized proxy or a written instruction of persons authorized to represent. The signatures on the written instruction of persons authorized to represent are verified through their signatures on the notarized circular of signature.

(2) In the event that transactions are made by another person on behalf of a customer that is natural person, customer identification of the person acting on behalf of the customer shall be carried out in accordance with Article 6. Besides, authorization of the person acting on behalf of the customer shall be verified through the notarized power of attorney. In cases where identification of the customer on behalf of whom the act is carried out cannot be conducted in accordance with Article 6, it shall then be conducted through the notarized power of attorney. In the event that the identification of the customer on behalf of whom the act is carried out has already been made due to previous transactions, the requested transaction can be conducted through the written instruction of the customer on behalf of whom the act is carried out provided that the customer's signature on the written instruction is verified through his/her signature which is already available to the obliged party.

3) In transactions carried out on behalf of minors and persons under legal disability by their legal representatives, the authority of those appointed as guardian by court decision, curators and trustees are verified through the original or notarized copy of the relevant court decision. In the event that fathers and mothers request a transaction on behalf of their minor child, it shall be sufficient to identify the child on behalf of whom the transaction is requested and the parent requesting the transaction in accordance with Article 6.

(4) After documents which are subject to verification are submitted, legible photocopy or electronic image of their originals or notarized copies shall be received or information regarding the identity shall be recorded in order for submittal upon request of authorities.

Control of the authenticity of documents subject to verification

ARTICLE 15- (1) Obligated parties shall verify the authenticity of documents as much as possible by applying to person or institution arranging the document or to other competent authorities in cases where they suspect of the authenticity of documents used for the verification of the information recorded within the scope of Articles 6 to 14.

Customer identification in subsequent transactions

ARTICLE 16- (1) (Amended – Official Gazette – 10.06.2014/29026) In the subsequent face-to-face transactions conducted in the scope of permanent business relationship of those who were duly identified formerly, identity data shall be received and compared with the data already available to obliged parties. After making comparison, the name and surname of the natural person who is conducting the transaction shall be entered into the related document and his/her sample signature shall be received. In the event that there is suspicion on the authenticity of the data received, these data shall be verified after the submission of identity documents which are subject to verification or of their notarized copies through comparing the data stated on these documents with the data already available to obliged parties. As to the subsequent transactions conducted by using the systems allowing non-face-to-face transactions, necessary measures shall be taken for authentication of the customer and updating the information for customer identification.

Customer identification of those acting for the benefit of others (Amended title – Official Gazette – 10.06.2014/29026)

ARTICLE 17- (1) (Amended – Official Gazette – 10.06.2014/29026) Obligated parties shall be required to take necessary measures in order to detect whether action is carried out for the benefit of another person. Within this scope, obliged parties shall put up required notices in workplaces where they run service in a way that all customers can easily see in order to remind the persons, who act in their own name but for the benefit of others, of their responsibilities. Financial institutions shall also receive, in the establishment of permanent business relationship, the written declaration of the customer indicating whether the act is carried out for the benefit of someone else. This declaration can be specified in the customer contract or be received by using appropriate forms.

(2) In cases where the person requesting the transaction declares that he/she is acting for the benefit of someone else, the identity and the authority of the person requesting the transaction and the identity of the person for the benefit of whom the transaction is conducted shall be identified in accordance with Articles 6 to 14.

(3) (Abolished: Official Gazette – 10.06.2014/29026)

(4) (Abolished: Official Gazette – 10.06.2014/29026)

(5) (Amended – Official Gazette – 10.06.2014/29026) In cases where there is a suspicion that the person is acting in his/her own name but for the benefit of someone else although he/she has declared that he/she is not acting for the benefit of someone else, measures for the identification of the beneficial owner shall be applied.

Identification of Beneficial Owner (Added – Official Gazette – 10.06.2014/29026)

ARTICLE 17/A- (1) Obligated parties shall take necessary measures in order to detect the beneficial owner.

(2) When establishing permanent business relationship with legal persons registered to trade registry, obliged parties shall identify, in accordance with article 6, the natural person partners holding more than twenty-five percent of the legal person's shares as the beneficial owner.

(3) In cases where there is a suspicion that the natural person partner holding more than twenty-five percent of the legal person's shares is not the beneficial owner or where there is no natural person holding a share at this rate, necessary measures shall be taken in order to detect the natural person(s) who is/are ultimately controlling the legal person. And natural person(s) detected shall be considered as beneficial owner.

(4) In cases where the beneficial owner is not detected within the scope of paragraphs 2 and 3, the natural person(s) holding the position of senior managing official, whose authorization to represent the legal person is/are registered to trade registry, shall be considered as beneficial owner.

(5) Within the scope of permanent business relationship with other legal persons and unincorporated organizations, necessary measures shall be taken in order to detect the natural person(s) who is/are ultimately controlling the legal person. In case where the beneficial owner is not detected, the natural person(s) holding the position of senior managing official within them shall be considered as beneficial owner.

(6) In the scope of the paragraphs (1) to (5), obliged parties shall identify the beneficial owner and take necessary measures in order to verify the beneficial owner. In this framework, a notarized circular of signature including identity information can be used.

(7) When establishing permanent business relationship with legal persons registered to trade registry, obliged parties shall also identify, in accordance with article 7, the legal person partners holding more than twenty-five percent of the legal person shares.

Transactions requiring special attention

ARTICLE 18- (1) The obliged parties shall be required to pay special attention to complex and unusual large transactions and the ones which have no apparent reasonable legitimate and economic purpose, to take necessary measures in order to obtain adequate information on the purpose of the requested transaction, and to keep the information, documents and records obtained in this scope in order for submittal upon request of authorities.

Monitoring the customer profile and the transactions

ARTICLE 19 (Amended: Official Gazette - 02.01.2010 /27450) (1) - The obliged parties shall be required to follow up permanently the transactions conducted by their customers whether they are in compliance with the information regarding the customer's profession, commercial activities, business history, financial status, risk profile and sources of funds within the scope of permanent business relationships and keep up-to-date information, documents and records regarding the customer. Furthermore, the accuracy of information regarding the telephone and fax number and e-mail address of customers received for customer identification shall be verified, if necessary, within the scope of risk-based approach using these means by contacting with the relevant person. Financial institutions shall also take the necessary measures in order to follow up the transactions conducted out of permanent business relationship in risk-based approach. Financial institutions shall establish, with this purpose, appropriate risk-management systems.²¹

Taking measures against technological risks

ARTICLE 20- (1) Financial institutions shall be required to pay special attention to the risk of using facilities introduced by new and developing technologies for money laundering and terrorist financing and to take appropriate measures for its prevention.

(2) Financial institutions are required to take appropriate and effective measures including paying special attention to operations such as depositing, withdrawing and wire transfers which are carried out by using systems enabling the institutions to conduct non face-to-face transactions, closely monitoring the transactions that are not consistent with financial profile or activities of the customer or do not have connection with his/her activities, and establishing a limit to amounts and number of transactions.

Reliance on third party

ARTICLE 21- (1) Financial institutions can establish business relationships or carry out transactions by relying on measures taken related to the customer by another financial institution on identification of the customer, the person acting on behalf of customer and the beneficial owner, and on obtaining of information on the purpose of business relationship or transaction. In such a circumstance, the ultimate responsibility shall remain with the financial institution carrying out transaction by relying on the third party under the Law and the related regulations.

(2) Reliance on third parties shall be possible only if it is ensured that;

(Amended : Official Gazette - 02.01.2010 /27450) a) the third parties have taken other measures which will meet the requirements of customer identification, record keeping and the

principles of “customer due diligence”, and are also subject to regulations and supervision in combating money laundering and terrorist financing in accordance with international standards if the third parties are resident abroad,²²

b) The certified copies of documents relating to customer identification shall immediately be provided from the third party when requested.

(3) The financial institution which establishes a business relationship or conducts a transaction by relying on a third party shall immediately receive the identity data of the customer from the third party.

(4) (**Amended: Official Gazette - 02.01.2010 /27450**) The transactions which the financial institutions conduct between themselves on behalf of customers and relationships between financial institution and its agents, similar units or outsourcing entities are not within the scope of the principle of “reliance on third parties.²³

(5) (**Added: Official Gazette - 02.01.2010 /27450**) The principle of “reliance on third parties” may not be applied to the cases where the third party is resident in a risky country.

Rejection of transaction and termination of business relationship

ARTICLE 22- (1) The obliged parties, in cases where they cannot make customer identification or obtain information on the purpose of the business relationship, shall not establish business relationship and not conduct the transaction which they are requested. In such a circumstance they cannot open an anonymous account or account in a fictitious name

(2) In cases where customer identification and its verification which are required to be conducted due to suspicion on the adequacy and accuracy of the previously obtained customer identification information cannot be carried out, the business relationship shall be terminated.

(3) Obligated parties shall also assess whether the situations specified in the first and second paragraphs of this Article are suspicious transactions or not.

Correspondent relationship

ARTICLE 23- (1) Financial institutions shall take necessary measures in foreign correspondent relationships in order to;

a) Obtain, by making use of publicly available resources, reliable information on whether the respondent financial institution has been subject to a money laundering and terrorist financing investigation and been punished, its business field, reputation and the adequacy of supervision on it,

b) Assess anti-money laundering and terrorist financing system of the respondent financial institution and to ascertain that the system is appropriate and effective,

c) Obtain approval from a senior manager before establishing new correspondent relationships

ç) Clearly determine their and the respondent financial institution’s responsibilities by a contract in a way that meets the obligations in Chapter 3 of this Regulation

d) In cases where the correspondent relationship includes the use of payable- through account be satisfied that the correspondent financial institution has taken adequate measures pursuant to principles in the Chapter 3 of this Regulation and will be able to provide the identification information of the relevant customers when requested.

(2) Financial institutions shall not establish correspondent relationship with shell banks and financial institutions about which they cannot be sure that these institutions do not permit their accounts to be used by shell banks.

Wire transfers

ARTICLE 24- (Amended: Official Gazette - 02.01.2010 /27450) (1) It is required that the following information of the originator is included in the cross border and domestic wire transfer messages which amount to two thousand TRY or more;

a) Name and surname, title of the legal person registered to trade registry, full name of the other legal persons and unincorporated organizations,

b) Account number or reference number of the transaction where no account number exists,

c) The address or birth of place and date or at least one of the numbers such as TR-ID number, passport number, tax ID number for identifying the originator,

(2) The transfers carried out between the banks on behalf of themselves or for their own benefit and the transfers carried out by using credit or bank cards provided that card numbers are included in the messages shall be out of the scope of paragraph (1);

(3) In the event that financial institution receives a wire transfer message not including the information specified in paragraph (1), either it shall return the said wire transfer message or it shall complete short-coming information through the financial institution who sent the message.

(4) In the event that the messages sent include short-coming information permanently and they may not be completed although they are requested, either the wire transfers received from originator financial institution may be refused or transactions carried out with related financial institution may be restricted or business relationship with related financial institution may be ceased.²⁴

Relationships with risky countries

ARTICLE 25- (1) Financial institutions are required to pay special attention to business relationships and transactions with the natural and legal persons, unincorporated organizations and the citizens located in risky countries and to obtain information about the purpose and the nature of the transactions, as far as possible, which have no apparent reasonable legitimate and economic purpose and to record them.

Simplified measures

ARTICLE 26- (1) The Ministry may allow obliged parties to take more simplified measures in terms of customer due diligence in the following situations;

a) **(Amended subparagraph: Official Gazette - 02.01.2010 /27450)** In transactions carried out between financial institutions on behalf of themselves,²⁵

b) In transactions where the customer is a public administration or quasi public professional organization in the scope of general administration in accordance with the Public Financial Management and Control Law No. 5018,

c) In establishing a business relationship within the scope of salary payment by accepting a batch of customers,

ç) **(Amended subparagraph: Official Gazette - 02.01.2010 /27450)** In transactions related to pension schemes that provide retirement benefits to employees by way of deduction from their salaries and of pension agreements,²⁶

d) In transactions where the customer is a public company and its shares are listed on the stock exchange.

The Ministry is authorized to determine applicable measures within the scope of this Article and the transaction types apart from the ones listed above.

(2) Obligated parties may not apply simplified measures in cases where money laundering or terrorist financing risks might occur due to the transaction and shall take into account that the transaction is possibly a suspicious transaction in accordance with Article 27.

Enhanced measures (Added – Official Gazette – 10.06.2014/29026)

ARTICLE - 26/A-(1) Financial institutions shall apply, in proportion to the identified risk, one or more or all of the following enhanced measures for transactions within the scope of articles 18, 20 and 25 and for high risk situations they identify in the framework of risk based approach.

- a) Obtaining additional information on the customer and updating more regularly the identification data of customer and beneficial owner,
- b) Obtaining additional information on the intended nature of the business relationship,
- c) Obtaining information, to the extent possible, on the source of the asset subject to transaction and source of funds of the customer,
- ç) Obtaining information on the reasons for the transaction,
- d) Obtaining approval of senior manager to commence or continue business relationship or carry out transaction,
- e) Conducting enhanced monitoring of the business relationship by increasing the number and frequency of the controls applied and by selecting the patterns of transactions that needs further examination,
- f) Requiring that in the establishment of permanent relationship the first financial transaction is carried out through another financial institution subject to customer due diligence principles.

(2) The Ministry shall be authorized to determine high risk situations to be taken into account within the scope of this Article and enhanced measures other than ones above.

CHAPTER FOUR

Procedures of Suspicious Transaction Reporting

Suspicious transaction reporting

ARTICLE 27- (1) Suspicious transaction is the case where there is any information, suspicion or reasonable grounds to suspect that the asset, which is subject to the transactions carried out or attempted to be carried out within or through the obliged parties, has been acquired through illegal ways or used for illegal purposes and is used, in this scope, for terrorist activities or by terrorist organizations, terrorists or those who finance terrorism.

(2) Suspicious transactions shall be reported to MASAK by obliged parties regardless of the amounts. Suspicious transaction reporting is carried out personally by natural person who is an obliged party, by legal representatives of legal person who is an obliged party, by managers of unincorporated organizations or those who are authorized by them and compliance officers where an obliged party assigns a compliance officer.

(3) When necessary, multiple transactions shall be taken into consideration together in order to determine whether there is suspicion or a reasonable ground to suspect.

- (4) The fact that suspicious transactions have been reported within the scope of ongoing reporting does not remove the obligation of reporting suspicious transactions.
- (5) MASAK is authorized to determine suspicious transaction types.

Filling in suspicious transaction reporting forms and time limit for reporting

ARTICLE 28- (1) When obliged parties encounter a suspicious transaction, they shall report it to MASAK by filling in a Suspicious Transaction Reporting Form taking into account the information and the findings obtained from an inquiry that they carried out, if necessary, to the extent of their authority and capability.

(2) Suspicious transactions shall be reported to MASAK within ten workdays starting from the date when the suspicion occurred.

(3) In the event that new information and findings in relation to the reported transaction are obtained afterwards, another Suspicious Transaction Reporting Form shall be filled and sent to MASAK without delay by addressing that it is an additional report to the previous one.

(4) The Ministry is authorized to determine, separately for each obliged party, principles and procedures of filling Suspicious Transaction Reporting Forms, making it obligatory to report by using electronic and IT means, and using electronic signature in suspicious transaction reports.

(5) MASAK may prepare guidelines for reports (**Added – Official Gazette – 10.06.2014/29026**) and the guidelines might be published electronically. Reports shall be made in accordance with these guidelines.

Confidentiality of suspicious transaction reports and protection of the persons reporting suspicious transactions

ARTICLE 29- (1) Obligated parties shall not disclose any information that the suspicious transaction has been or will be reported to anyone including the parties of the transaction, except for the information provided for the examiners assigned for supervision of obligations and for the courts during trial.

(2) This obligation covers the persons and the institutions who report suspicious transactions or members of them who carry out and manage the transactions or their legal representatives and proxies, and the other personnel who knows in any way that the suspicious transactions have been reported. As to the obliged parties where a compliance officer is assigned, internal reports sent to the compliance officer shall also be within the scope of confidentiality. The compliance officers who carry out reporting electronically shall not render anyone any card, password, other types of information and means ensuring access to the system.

(3) Obligated parties shall not disclose their head offices, branches, agencies, representatives, commercial proxies and similar affiliated units abroad any information that they have reported a suspicious transaction in relation to their customers.

(4) Natural and legal persons, their compliance officers, legal representatives of the obliged parties, their managers and personnel complying with the obligation of reporting suspicious transaction, shall not be held responsible judicially and criminally in any way.

Feedback

ARTICLE 30- (1) MASAK shall inform the obliged parties reporting suspicious transaction when the report is recorded.

(2) (**Amended: Official Gazette - 02.01.2010 /27450**) MASAK periodically carries out general evaluation on effectiveness of suspicious transaction reports received. MASAK may also publish statistical data through annual activity reports, guidelines or periodicals regarding suspicious transaction reports, methods used in money laundering and terrorist financing, rising trends, case studies prepared by using process after suspicious transaction reports and by benefiting from findings and use them for the purpose of training.²⁷

CHAPTER FIVE

Principles of Providing Information and Documents

Providing information and documents

ARTICLE 31- (1) When requested by MASAK or examiners, public institutions and organizations, natural and legal persons, and unincorporated organizations shall fully and accurately provide all kinds of information, documents and related records in every type of environment including microchips, microfilms, magnetic tapes, disks, and any kind of information and passwords necessary for accessing to or making these records decipherable in line with required way, form and duration without delay (**Added – Official Gazette – 10.06.2014/29026**), and render necessary convenience.

(2) Those from whom information and documents are requested shall not avoid giving information and documents by alleging the provisions of special laws, provided that the defense right is reserved.

(3) Obligated parties shall ensure to make available their books and documents for supervision to be carried out within the scope of on-site supervision; to open overall data processing system in conformity with the purposes of the supervision; and to provide security of the data.

(4) Information and documents shall be requested in writing except for urgent situations. A certain period of not less than 7 days is determined for submission of information and documents requested in writing. When information and documents are requested verbally, the request is confirmed in written form.

Periodically reporting by obliged parties

ARTICLE 32- (1) The obliged parties shall report to MASAK the transactions to which they are parties or intermediaries exceeding the amount determined by the Ministry.

(2) The transactions which are linked to each other as to their natures shall be considered as a single transaction.

(3) The transactions carried out at weekends, on holidays and during night shall be considered as the transaction of the first workday following the date when the transactions were carried out.

(4) The transaction types subject to periodically reporting, reporting procedure and periods, excluded obliged parties and other implementation principles and procedures shall be determined by the Ministry.

(5) The Ministry is authorized to determine, separately for each obliged party, the principles and procedures of filling the periodical reporting forms, submitting them to MASAK through all types of electronic means and communication forms and using electronic signature in the reports. Application dates for electronic reporting shall be determined by the Ministry.

(6) MASAK may issue guidelines for electronic reporting and the guidelines may also be published electronically. Reporting shall be carried out in accordance with these guidelines.

Exceptions and exemptions in periodically reporting

ARTICLE 33- (1) In periodically reporting to MASAK by obliged parties the transactions carried out by and between banks on behalf of themselves and for their own benefit and the transactions conducted between financial institutions and the administrations under general administration, public economic enterprises, quasi-public professional organizations in accordance with the Law No.5018 are not within the scope of obligation for periodically reporting.

Periodically reporting by public institutions

ARTICLE 34- (1) Public institutions and organizations, quasi-public professional organizations which give permission of foundation and operation to the obliged parties, and which are required to keep record related to them in accordance with their laws shall inform MASAK of name, surname and title of the obliged party, information and contact information about shareholders holding shares more than 10 %, chairman and members of board of directors, their general director and managers.

(2) Any change in the information specified in paragraph (1) shall be informed by related institution or organization to MASAK until the fifteenth day following the date of change.

(3) The provision of paragraph (1) shall not apply where the stipulations in paragraph (1) and (2) are provided by the accession system installed in accordance with Article 9 of the Law.

(4) The Ministry is authorized to determine the other principles and procedures of reporting.

CHAPTER SIX Supervision of Obligations

Scope of supervision

ARTICLE 35- (1) Supervision of obligation covers supervision of compliance with obligations conducted for the purpose of detecting the obliged parties' compliance with the obligations and examination of obligation violations carried out for the purpose of detecting obligation violations.

(2) MASAK may request for supervision of obligation in the scope of either one case or a supervision program. MASAK may prepare a supervision program by asking opinion of the related supervision unit regarding the application time and it may also request the supervision unit to include the supervision of obligation in its supervision program.

(3) MASAK is authorized to determine the scope and period of the supervision of compliance with obligations and the examination of obligation violations.

(4) The unit which is to conduct supervision of obligations shall carry out this request.

(5) MASAK is authorized to determine the other principles and procedures of supervision of obligations and to issue supervision guidelines in this framework.

Examiners and their powers

ARTICLE 36- (1) Supervision of obligations is carried out by examiners.

(2) The examiners assigned to conduct supervision are authorized to request all kinds of information, documents and legal books from natural and legal persons including the public institutions and organizations, and unincorporated organizations, to examine all kinds of documents and records within them and to receive information from the relevant authorities verbally or in writing. They also use the powers given to them by other laws.

(3) Obligated parties shall provide all necessary facilities including to ensure proper working conditions for examiners during supervision process.

Assignment of examiners

ARTICLE 37- (1) Upon the assignment request of the Head of MASAK, an examiner shall be assigned for supervision of obligations with the proposal of the director of the related unit and by the approval of the Minister to whom he/she is attached or related. The assignment shall be carried out in ten days at the latest as from the date of request.

(2) The examiner assigned for supervision of obligations which will be conducted separately shall take office within fifteen days at the latest as from the date on which MASAK submits him/her the assignment letter and shall within this period inform, in writing, MASAK and his/her unit of the date of taking up office. In supervision of obligations conducted in the scope of an supervision program, the examiner shall notify the date he/she actually takes up office to MASAK in writing.

(3) The examiners shall complete the supervision by including the issues conveyed to him/her by MASAK in relation to the ongoing supervision within the scope of the initial approval of assignment without seeking for another one.

(4) The examiner, who will vacate the job before concluding the supervision, shall prepare an interim report demonstrating the attained stages of the supervision and send it to MASAK. The related unit shall assign a new examiner at least ten days before the present examiner leave office. The examiner who will vacate the job shall deliver with minutes all related documents and one copy of the interim report to the new examiner in this period. The new examiner shall send copies of the minutes to his/her unit and to MASAK. The date of the minutes is deemed the date for taking up and leaving office. Required measures shall be taken by the related unit for completing these procedures in time.

(5) MASAK may form a team of examiners for supervision. MASAK shall charge one of the examiners with ensuring the coordination. The examiner charged with coordination shall ensure the flow of information and documents within the team. It is essential that the works of the team are planned, carried out and completed together, and that the reports are drawn up together.

(6) In the event that more than one team is formed, one of the examiners charged with coordination may be charged by MASAK with ensuring general coordination.

(7) It is essential that the supervision of obligations is carried out where the transactions subject to supervision have been realized. The examiners shall have an official document with

their photograph on it demonstrating their employment position and they shall show this document to the persons concerned before they take up the job where they are assigned.

(8) The duty shall end on the date when the report prepared is decided to be processed by MASAK. It is reported to the examiner and the unit which he/she attached.

Temporary Assignment of Examiners to MASAK and their working procedures (Added – Official Gazette – 10.06.2014/29026)

ARTICLE 37/A- (1) MASAK may also perform its duty of supervision of obligations through examiners temporarily assigned to MASAK under Additional Article 1 of the Law.

(2) Examiners assigned temporarily shall work under the supervision and as per the directions of the Head of MASAK, or the Deputy Head of MASAK nominated by the Head of MASAK during their assignment period.

(3) Examiners assigned temporarily shall be appointed through approval given by Head of MASAK. MASAK may make multiple assignments within the scope of supervision of obligations and examiners shall immediately take office as of the notification date of the approval.

(4) The termination for the conclusion of supervision duty shall be determined by MASAK. Examiners assigned temporarily shall submit a report to MASAK at the end of this period.

(5) Databases and access systems at MASAK shall be used by examiners within the frame of access authorization determined by MASAK. Supervision of obligations shall be performed and concluded by examiners personally.

(6) As to matters that are related to working principles and procedures of examiners assigned temporarily and that are not covered in this Article, other provisions of the Regulation related to supervision shall apply.

Supervision reports

ARTICLE 38- (1) As the result of the supervision of compliance with obligations, supervision report on compliance with obligations shall be drawn up, and examination report on violation of obligation shall be drawn up as the result of examination of obligation violation.

(2) The examiners shall also draw up examination report on violation of obligations for the violations of obligations which they have detected during the supervision of compliance with obligations.

(3) Principles and procedures regarding the supervision reports shall be determined by MASAK.

Process to be applied on reports

ARTICLE 39- (1) The reports which are prepared by examiners and conveyed to MASAK shall be evaluated in terms of compliance with the standards determined by MASAK and whether there is any material or legal mistake. (**Amended: Official Gazette - 02.01.2010 /27450**) The process shall be carried out in accordance with the evaluation done by MASAK.²⁸

(2) Administrative fine shall be imposed on obliged parties who violate the provisions stated in Section Three and Articles 27 and 28 of this Regulation, on their employees carrying out the transaction actually, on their managers having mission and responsibility in terms of

concluding the transaction and on obliged parties who violate the provisions stated in Article 32 of this Regulation.

(3) Obligated parties who fail to comply with the obligations within the scope of training, internal control, developing control and risk management systems, assigning compliance officer and the other measures to be determined by the regulation to be issued by the Ministry are given at least thirty days for eliminating deficiencies and taking necessary measures. If the obliged parties do not eliminate deficiencies or take necessary measures within the given period, then administrative fine shall be applied.

(4) Examination reports on violation of obligations prepared on violation of obligations given in Articles 29, 31 and 46 of this Regulation shall be sent to competent Public Prosecutor's Office by MASAK.

5) (**Amended – Official Gazette – 10.06.2014/29026**) Monitoring of examination reports on violation of obligations by Public Prosecutor's Office and processes relating to the pursuing of cases and the other procedures shall be carried out in accordance with the Decree Law 178 dated 13/12/1983 and Decree Law 659 dated 26/9/2011.

Notification

ARTICLE 40- (1) The examiners shall immediately report violations of obligations they encounter to MASAK, in writing, while fulfilling their own duties entrusted to them by their units and conducting laundering offence examinations.

(2) Those within obliged parties with the supervision authority given by a law shall inform MASAK, via their unit, of violation of obligations within the scope of the Law which they encounter while fulfilling duties entrusted to them by their unit.

(3) In case of determining any matter relating to laundering and terrorist financing during supervision of obligations or suspecting that such a situation exists, the matter shall be notified, in writing, immediately by examiners to MASAK.

(4) If the examiners determine, while carrying out supervision of obligations, any matter contrary to the legislation concerning sphere of duties of other institutions or suspect that such a situation exists, they shall convey the matter to the related units and also give information to MASAK

CHAPTER SEVEN

Disclosure to Customs Administration

Procedures and principles of disclosure

ARTICLE 41- (1) Travelers making a physical cross-border transportation of Turkish currency, foreign currency or instruments ensuring payment by them, shall disclose them fully and accurately upon the request of Customs Administration. Implementation of this Article shall not differ with regard to whether these values are with the traveller, in his/her bag or baggage.

(2) In the implementation of this Article; bonds, policies and cheques, traveler's cheques, postal cheques, instruments in the nature of payment order given by the organizations located at home and abroad are considered as documents ensuring payment in Turkish currency or foreign currency. The fact that this sort of document containing an amount has deficiencies such as date, beneficiary, signature, address and suchlike facts shall not remove responsibility of disclosure.

(3) The personnel of Customs Administration charged at customs gate is authorized to request disclosure from travellers.

(4) The values held by the travellers shall be determined by the authorized personnel of Customs Administration regardless of the fact that whether any disclosure has been made or not.

(5) The reporting obligation in this Article shall not remove the reporting obligation established by the legislation regarding the protection of the value of the Turkish Currency.

Drawing up official form

ARTICLE 42- (1) Detections regarding the travellers from whom a disclosure is requested shall be recorded in official form.

(2) The following minimum information must be included in the official form drawn up.

a) The place where the form have been drawn up and the date of the form.

b) The identification information of the traveller which is determined through one of the ID cards stated in Article 6.

c) Profession or occupation of the traveller.

ç) The address of residence, destination address and telephone number of the traveller, if any, which he/she declared.

d) Disclosures of the traveller regarding the values with them concerning their type, quantity, amount and to whom they belong.

e) The detailed list of values held by the traveller determined by customs officer according to their type, quantity and amount.

f) The explanations relating to the situation occurred in terms of liability in Article 16 of the Law.

g) Number of pages and copies of the form.

ğ) The signature of the traveller.

h) The name, surname, title, personnel record number and signature of the officer who has drawn up the form.

(3) The official form shall be drawn up in sufficient numbers considering the copies which shall be delivered to the related authorities and parties.

Lack of disclosure or misleading disclosure

ARTICLE 43- (1) In case no disclosure is made or false or misleading disclosure is made despite being requested by the authorities, transfer of values held by the traveller shall be ceased and those values shall be sequestrated by the Customs Administration. Besides, this shall be deemed suspicious and notified to MASAK within seven days together with the official form, and also conveyed to other authorities.

(2) An administrative fine equal to one tenth of the value held shall be imposed on the travellers who do not make disclosure; and an administrative fine equal to one tenth of the difference between the value held and the value disclosed on the travellers who make false disclosure.

(3) The provisions of paragraphs (1) and (2) shall not apply to the differences up to one thousand five hundred (**Amended statement: Official Gazette- 02.01.2010 /27450**) Turkish Liras.²⁹

(4) The other procedures and principles relating to the disclosure to be required by Customs Administration shall be determined by the Ministry of Customs and Trade (**Amended – Official Gazette – 10.06.2014/29026**) by asking opinion of MASAK.

Search

ARTICLE 44- (1) Clothes, belongings and vehicles of the travellers who do not make it easier to determine their values shall be searched by law enforcement officers according to the Judicial and Prevention Searches Regulation.

Notification to MASAK

ARTICLE 45- (1) The Ministry of Customs and Trade (**Amended – Official Gazette – 10.06.2014/29026**) shall take the necessary measures for recording in electronically the findings in the official form drawn up in accordance with Article 42 and retaining these records. MASAK may request preparation of statistics using data recorded in electronically and transmission of data to MASAK in various formats.

CHAPTER EIGHT

Retaining and Submitting

Obligation of retaining and submitting

ARTICLE 46- (1) Obligated parties shall retain documents, books and records, identification documents and records kept in all forms regarding their transactions and obligations for eight years starting from the drawn up date, the last record date, the last transaction date respectively and submit them when requested. The starting date of retaining period relating to documents on customer identification concerning the accounts within obliged parties is the date when the account has been closed.

(2) Documents and records of suspicious transactions reports made to MASAK or internal reports made to the compliance officer, documents attached to reports, the written reasons relating to suspicious transactions decided not to be reported by compliance officers are all in the scope of obligation of retaining and submitting.

CHAPTER NINE

Miscellaneous Provisions

Central Registry Agency

ARTICLE 47- (1) The obligation of Central Registry Agency in respect to provisions in chapter three and four of this Regulation is limited to Central Registry Agency members stated in The Regulation Concerning Incorporation, Operation and Supervision of the Central Registry Agency which was put into force by the Decision of Council of Ministers dated 14/05/2001 with the number 2001/2475.

Foreign exchange rates

ARTICLE 48- (**Amended: Official Gazette- 02.01.2010 /27450**)(1) In determination of Turkish Lira³⁰ equivalence of foreign currency and amounts of documents ensuring payment in foreign currency, foreign exchange buying rate shall be taken as a base which is in the

nature of indicator or informative exchange rate which is not subject of purchase and sale announced by Central Bank of the Republic of Turkey for the concerning day.³¹

Keeping peculiar records

ARTICLE 49- (1) The Ministry is authorized to set forth the principles and procedures for obliged parties in keeping peculiar records, when it deems necessary, by taking into consideration the nature of the transactions stated in Article 32.

The provisions abolished

ARTICLE 50- (1) The Regulation Regarding Implementation of the Law No. 4208 on Prevention of Money Laundering put into force upon the Decision of Council of Ministers dated 3/6/1997 and numbered 97/9523 has been abolished.

CHAPTER TEN

Provisional Articles and Final Provisions

PROVISIONAL ARTICLE 1- Article 14/A, second paragraph of Article 16 and Article 16/A of The Regulation Regarding Implementation of the Law No. 4208 on Prevention of Money Laundering put into force upon the Decision of Council of Ministers dated 3/6/1997 and numbered 97/9523 shall be in effect until the Regulation to be issued in accordance with Article 5 of the Law is put into force.

PROVISIONAL ARTICLE 2- (Amended article : Decision of Council of Ministers-31/3/2008-2008/13460) Obligated parties shall adjust the information on customer identification of their customers with whom they are in permanent business relationship as of the date of entry into force of this Regulation to the Regulation by December 31, 2008. With respect to implementation of this Article, the Ministry of Finance determines the scope of the procedures regarding the obliged parties, re-determination of time periods, and the other principles and procedures on implementation.

PROVISIONAL ARTICLE 3 – (Added article: Decision of Council of Ministers-31/3/2008-2008/13460) 1) Obligated parties shall complete the verification of address and contact information, which is mandatory, related to transactions between 1/4/2008 and 30/6/2008 until 31.12.2008, without being bound to dates given in paragraph three of article five.

PROVISIONAL ARTICLE 4- (Added: Decision of Council of Ministers 1/6/2010/582) 1) Article 24 amended by Article 13 of the Regulation Amending the Regulation on Measures Regarding Prevention of Laundering Proceeds of Crime and Financing of Terrorism enacted with Decision of Council of Ministers No 2009/15720 of 28/12/2009

GEÇİCİ MADDE 4- (Ek: 1/6/2010-2010/582 K.) (1) 28/12/2009 tarihli ve 2009/15720 sayılı Bakanlar Kurulu Kararıyla yürürlüğe konulan Suç Gelirlerinin Aklanmasının ve Terörün Finansmanının Önlenmesine Dair Tedbirler Hakkında Yönetmelikte Değişiklik Yapılmasına Dair Yönetmeliğin 13 üncü maddesi ile değiştirilen 24 üncü madde hükmü 1/1/2011 tarihinden itibaren uygulanır. Bu tarihe kadar, 24 üncü maddenin değiştirilmeden önceki hükmünün uygulanmasına devam olunur.

Entrance into force

ARTICLE 51- (1) This Regulation shall be put into force on 1/4/2008.³²

Execution

ARTICLE 52- (1) The Minister of Finance executes the provisions of this Regulation.

¹ ***(Before Amendment: Official Gazete-09.01.2008/26751):***

i) Permanent Business Relationship means a business relationship that is established between obliged parties and their customers through services such as opening an account, lending loan, issuing credit cards, safe-deposit boxes, financing, factoring or financial leasing, and that is permanent due to its characteristics,

² ***(Before Amendment: Official Gazete-09.01.2008/26751):***

t) Certified general accountants, certified public accountants and sworn-in certified public accountants operating without being attached to an employer pertaining only to functions such as establishing, managing and transferring companies, foundations and associations.

³ ***(Before Amendment: Official Gazete-09.01.2008/26751):TRY***

⁴ ***(Before Amendment: Official Gazete-09.01.2008/26751):TRY***

⁵ ***(Before Abolishment: Official Gazette-09.01.2008/26751):***

ç) When the total amount of premium to be paid in one year is equal to or more than two thousand TRY, or in single premium contracts the amount to be paid is equal to or more than five thousand TRY in life insurance contracts;

⁶ ***(Before Amendment: Official Gazete-09.01.2008/26751):***

(3) Verification of address and other contact information received during customer identification is conducted at most in ten working days following the date of transaction.

⁷ ***(Before Amendment: Official Gazete-09.01.2008/26751):***

(1) In customer identification of natural persons, their name, surname, place and date of birth, mother's name, father's name, nationality, T.R. identity number for Turkish citizens, type and number of the identity card, address, sample of signature, and telephone number, fax number, e-mail, if any, and information on job and profession shall be received.

⁸ ***(Before Abolishment: Official Gazette-09.01.2008/26751):***

(4) Telephone and fax numbers and the e-mail shall be verified through contacting the person concerned via these means.

⁹ ***(Before Amendment: Official Gazete-09.01.2008/26751):***

(1) In customer identification of legal persons registered to trade registry, the title of the legal person, its trade registry number, tax identity number, field of activity, full address, telephone number, fax number and e-mail, if any, and the name, surname, place and date of birth, names of mother and father, nationality, T.R. identity number for Turkish citizens, type and number of the identity card, and a sample signature of the person authorized to represent the legal person shall be received.

¹⁰ ***(Before Abolishment: Official Gazette-09.01.2008/26751):***

(6) Telephone and fax numbers and the e-mail of the legal person shall be verified through contacting the person concerned via these means.

¹¹ ***(Before Amendment: Official Gazete-09.01.2008/26751):***

In customer identification of associations the name of the association, its aim, log number, full address, telephone number, fax number and e-mail, if any, and the name, surname, place and date of birth, names of mother and father, nationality, T.R. identity number for Turkish citizens, type and number of the identity card of the person authorized to represent the association shall be received.

¹² ***(Before Amendment: Official Gazete-09.01.2008/26751):***

In customer identification of foundations the name of the foundation, its aim, central registry record number, full address, telephone number, fax number and e-mail, if any, and the name, surname, place and date of birth, names of mother and father, nationality, T.R. identity number for Turkish citizens, type and number of the identity card of the person authorized to represent the foundation shall be received.

¹³ ***(Before Abolishment: Official Gazette-09.01.2008/26751):*** (4) Telephone and fax numbers and the e-mails of associations and foundations shall be verified through contacting them via these means.

¹⁴ ***(Before Amendment: Official Gazete-09.01.2008/26751):***

In customer identification of trade unions and confederations the name of the organization, its aim, registry number, full address, telephone number, fax number and e-mail, if any, and the name, surname, place and date of birth, names of mother and father, nationality, T.R. identity number for Turkish citizens, type and number of the identity card of the person authorized to represent the organization shall be received.

¹⁵ ***(Before Abolishment: Official Gazette-09.01.2008/26751):*** (3) Telephone and fax numbers and the e-mails of trade unions and confederations shall be verified through contacting them via these means.

¹⁶ ***(Before Amendment: Official Gazete-09.01.2008/26751):***

In the customer identification of political parties, information regarding the name of the relevant unit of the political party, its full address, phone number, and fax number and e-mail, if any, and name, last name, place of birth, date of birth, names of mother and father, nationality, T.R. identity number for Turkish citizens, type and number of the identity document of the person authorized to represent shall be received.

¹⁷ ***(Before Abolishment: Official Gazette-09.01.2008/26751):***

(3) Telephone and fax numbers and the e-mails of political parties shall be verified through contacting them via these means.

¹⁸ ***(Before Amendment: Official Gazete-09.01.2008/26751):***

In transactions carried out on behalf unincorporated organizations such as building, housing estate or office block management, information regarding the name of the organization, its full address, phone number, and fax number and e-mail, if any, and name, last name, place of birth, date of birth, names of mother and father, nationality, T.R. identity number for Turkish citizens, type and number of the identity document of the person authorized to represent the organization shall be received.

¹⁹ ***(Before Amendment: Official Gazete-09.01.2008/26751):***

In customer identification of organizations such as unincorporated joint venture information indicating the name of the joint venture, its aim, activity field, tax identification number, full address, phone number, fax number and e-mail, if any, shall be received.

²⁰ ***(Before Abolishment: Official Gazette-09.01.2008/26751):***

(4) Telephone and fax numbers and the e-mails of unincorporated organizations shall be verified through contacting them via these means.

²¹ ***(Before Amendment: Official Gazete-09.01.2008/26751):***

ARTICLE 19- (1) Financial institutions shall be required to establish a risk profile of their customers in terms of money laundering and terrorist financing by taking into account the customer's profession, business history, financial status, accounts, commercial activities, resident country and other relevant indicators, to identify high-risk customers, business

relations and transactions, and to follow up them permanently, to keep up-to-date information, documents and records regarding the customer. Financial institutions shall establish, with this purpose, appropriate risk-management systems.

²² *(Before Amendment: Official Gazete-09.01.2008/26751):*

a) the third parties have taken measures which will meet the requirements of customer identification, record keeping and the principles of “customer due diligence”, and are also subject to effective regulations and supervision in combating money laundering and terrorist financing if third parties are resident abroad,

²³ *(Before Amendment: Official Gazete-09.01.2008/26751)*

(4) The principle of “reliance on third parties” may not be applied to;

- a) Cases where the third party is resident in a risky country,
- b) Transactions which the financial institutions conduct between themselves on behalf of customers,
- c) Relationship between financial institution and its agents, similar units or outsourcing entities.

²⁴ *(Before Amendment: Official Gazete-09.01.2008/26751):*

ARTICLE 24- (1) It is required that the following information of the originator is included in the cross border wire transfer messages which amount to two thousand TRY or more;

- a) Name and surname, title of the legal person registered to trade registry, full name of the other legal persons and unincorporated organizations;
- b) Account number or reference number of the transaction where no account number exists;
- c) At least one of the numbers such as TR-ID number, passport number, tax ID number for identifying the originator.

(2) It is required that the following information of the originator is included in domestic wire transfer messages which amount to two thousand TRY or more;

- a) Name and surname, title of the legal person registered to trade registry, full name of the other legal persons and unincorporated organizations;
- b) Account number or reference number of the transaction where no account number exists, and at least one of the numbers such as T.R. ID number, passport number, tax ID number which are used for identifying the originator.

(3) The transfers carried out between the banks on behalf of themselves or for their own benefit and the transfers carried out using credit or bank cards provided that card numbers are included in the messages shall be out of the scope of paragraph (1) and (2).

²⁵ *(Before Amendment: Official Gazete-09.01.2008/26751):*

a) In transactions carried out between financial institutions on behalf of themselves and for their own benefit,

²⁶ *(Before Amendment: Official Gazete-09.01.2008/26751):*

In transactions of a pension scheme that provides retirement benefits to employees, where contributions are made by way of deduction from wages and the pension agreement that do not include transferal of member’s rights,

²⁷ *(Before Amendment: Official Gazete-09.01.2008/26751):*

(2) MASAK has the authority to publish statistical data regarding suspicious transaction reports, methods used in money laundering and terrorist financing, trends, case studies prepared by using process after suspicious transaction reports and by benefiting from findings through annual activity reports, guidelines or periodicals and use them for the purpose of training.

²⁸ *(Before Amendment: Official Gazete-09.01.2008/26751):*

The reports which fail to comply with the standards and include apparent legal and material mistakes shall be returned to the examiner for correction.

²⁹ *(Before Amendment: Official Gazete-09.01.2008/26751):*

New Turkish Liras

³⁰ *(Before Amendment: Official Gazete-09.01.2008/26751):*

New Turkish Liras

³¹ *(Before Amendment: Official Gazete-09.01.2008/26751):*

(1) In determination of New Turkish Lira equivalence of foreign currency and amounts of documents ensuring payment in foreign currency, **foreign exchange buying rate shall be taken as a base which is in the nature of indicator announced by Central Bank of the Republic of Turkey for the concerning day.**

³² *Article 24 of this Regulation which was amended through the Regulation published in the Official Gazete No. 27450 on 02.01.2010 shall enter into force on 01.06.2010 while other articles amended with the same Regulation shall enter into force on 02.01.2010.*