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DRAFT ACT ON MAKING AMENDMENT IN BANKING LAW

As a result of studies executed by our Agency the Draft Act on Making Amendment on Banking Law is prepared. The amendments contemplated to be made were summarized, hereunder:

- The definition financial holding is amended and the provisions to be provided to encourage establishing financial holding firm, instead of disinclining thereof, were developed.
- It is predicted to go for change relating to facilitate the banks to receive support service for reducing their costs.
- With the objective of accordance to the principles of FATF (Financial Action Task Force), it is provisioned that, predicting the condition that the founders of the bank were not convicted previously of the crimes within the scope of the Act on Prevention of Terrorism nr. 3713 or committed connivance in a crime herein, among qualifications required, and interdicting to establish shell bank in Turkey.
- Total paid-in capital required in establishment conditions of the banks is increased to TRY 60 million and the share of access to system to be collected from the founders of the banks is increased to 20% of minimum capital, with a view to invigorate the capital of the banks.
- It is predicted that the changes on capital structure of legal entity partnerships owning a privileged share in banks shall be subject to the permission of Banking Regulation and Supervision Agency.
- The implementation of professional liability insurance is limited only with external audit institutions, valuation, grading, support services' being subject to professional liability insurance is left at the banks' receiving service thereof own volition and Banking Regulation and Supervision Board is also authorized to make it obligatory when necessary.



- Pursuant to the Legislation on Banking Law nr.5411, it is predicted that the provisions of which the banks set aside for loans and other receivables shall be accepted as reduction item from corporation tax, similar to other country implications, in leaving year.
- In accordance with European Union Directives, it is provisioned that BRSA shall not transmit the documents in secrecy quality, of which the Banking Regulation and Supervision Agency is to acquire, to any person, agency or institution except public prosecutors and criminal courts within the scope of criminal investigation and prosecution and furthermore the scope of sharing bank or customer's secret is determined more explicitly.

The said draft act is available in our official website

http://www.bddk.org.tr/turkce/Mevzuat/Duzenleme_Taslaklari/4732kanun_taslagi_300408.pdf