

By the Banking Regulation and Supervisory Agency:

**COMMUNIQUÉ ON THE PRINCIPLES AND PROCEDURES FOR THE
ACTIVITIES OF REPRESENTATIVE OFFICES OPENED IN TURKEY**

(Published in Official Gazette dated April 01, 2008 and Nr. 26834)

SECTION ONE

Objective and Scope, Basis, Definitions and Abbreviations

Objective and Scope

ARTICLE 1– (1) The objective of this Communiqué is to set down the principles and procedures relating to the activities of the representative offices opened in Turkey.

(2) This Communiqué applies to the representative offices opened in Turkey.

Basis

ARTICLE 2– (1) This Communiqué is based on Articles 6 and 93 of the Banking Law dated October 19, 2005 and Nr. 5411 and Article 10(1) of the Regulation on Indirect Shareholding and Transactions Subject to Permission of Banks published in the Official Gazette dated November 01, 2006 and Nr. 26333.

Definitions and Abbreviations

ARTICLE 3– (1) For the purposes of this Communiqué, the following terms shall have the following meanings:

- a) Bank(s): Bank(s) defined in Article 3 of the Law,
- b) Financial institution(s): Financial institution(s) defined in Article 3 of the Law,
- c) Law: The Banking Law Nr. 5411,
- ç) Participation funds: Participation funds defined in Article 3 of the Law,
- d) Loan: Operations defined in Article 48 of the Law,
- e) Credit institutions (s): Credit institution(s) defined in Article 3 of the Law,
- f) Board: The Banking Regulation and Supervision Board,
- g) Agency: The Banking Regulation and Supervision Agency,
- ğ) Deposit: Deposit defined in Article 3 of the Law,
- h) Representative Office(s): Representative office(s) defined in Article 3 of the Law,
- ı) Regulation: The Regulation on Indirect Shareholding. And Transactions Subject to Permission of Banks

SECTION TWO

Principles and Procedures relating to Activities

Scope of activities

ARTICLE 4– (1) Only the following activities are carried out in the representative offices: Publicity of the bank and the services granted by that bank under which the representative office is operating, strengthening the relations with credit institutions or financial institutions established in Turkey, conducting market research and reporting the data collected to the headquarter. They cannot carry out any income-bearing or expenditure-bearing activities other than compulsory expenses and donations.

Informing the Agency

ARTICLE 5– (1) Representative offices shall inform the Agency on semi-annual basis on their activities including the negotiations made with real persons and legal entities residing in Turkey pursuant to Article 4. Informing shall be made within one month following the related period.

(2) Within these periods, the Agency shall be informed on the visitor list and visit purposes of the personnel who are in charge in the bank under which the representative office is operating or in any other bank or a financial institution. In case a report is arranged by those people addressing the representative office or by the representative office addressing those people, the Agency shall be informed on the content of that report.

Personnel

ARTICLE 6 – (1) The personnel working in representative offices including the attorney shall compulsorily be residing in Turkey. The identity information, résumés and residences of the personnel working in the representative office, excluding the personnel fulfilling support services such as cleaning and security, shall be submitted to the Agency within fifteen working days as of the day of their employment. In case of severance of these persons, the Agency shall be informed within fifteen days as of the day of their severance.

Covering the operational costs

ARTICLE 7 – (1) All the costs of the representative offices shall be covered by the bank under which they are operating. To provide the covering the payments such as salaries and similar payments to the personnel including the attorney and other representative office expenditures to be made by the bank, a deposit or participation fund account shall be opened in only one credit institution established in Turkey. The representative offices shall on no consideration realize money transfer to banks under which they are operating, from the deposit or participation fund accounts opened within this scope.

Keeping the documents

ARTICLE 8 – (1) The representative offices shall keep the documents confirmed by the related credit institution relating to the deposit or participation fund accounts opened pursuant to Article 7 by monthly periods and the detailed information relating to the expenditures made, for at least ten years.

Restrictions

ARTICLE 9 – (1) The representative offices cannot accept deposit or participation fund on behalf of the bank under which they are operating or any other bank or financial institution, extend loans or perform any other banking operation determined in Article 4 of the Banking Law, cannot keep documents or account book or employ personnel for this purpose.

(2) In the representative offices; loan allocation, borrowing or devolution of authority cannot be made on behalf of the bank under which they are operating or any other bank or financial institution; the personnel of the representative office including the attorney cannot have access to information systems of the bank under which they are operating or any other bank or financial institution as to provide data entry or registry assessed within the scope of operations restricted pursuant paragraph one.

(3) For those who are determined to carry out representative activities without taking the necessary permissions from the Board, legal action will be taken pursuant Article 150 of Banking Law and the Agency sends notification about these persons to the authorities of the country in which the head offices of the banks they operate on behalf of is established.

SECTION THREE **Final Provisions**

Adjustment

PROVISIONAL ARTICLE 1 – The representative offices shall make their conditions be compatible with the provisions of this Communiqué within six months.

Entry into Force

ARTICLE 10 – (1) This Communiqué enters into force on the date of its publication.

Enforcement

ARTICLE 11 – (1) The provisions of this Communiqué are enforced by the Chairman of the Banking Regulation and Supervision Agency.