

The Law on the Central Bank of the Republic of Turkey
Law No. 1211 Date of Acceptance: January 14, 1970

PART ONE
ESTABLISHMENT, FUNDAMENTAL DUTIES
AND POWERS, CAPITAL

Establishment and Title

Article 1- (As amended by Law No. 3985 of April 21, 1994)

A bank, under the name of the "Central Bank of the Republic of Turkey", is hereby established in the form of a joint stock company with the exclusive privilege of issuing banknotes in Turkey and is vested with the powers and duties set forth in this Law.

The Bank shall be subject to the provisions of private law in cases where the Law is not explicit.

The Central Bank of the Republic of Turkey is hereinafter referred to as the "Bank" in this Law.

Head Office and Branches

Article 2- (As amended by Law No.3098 of December 6, 1984)

The head office of the Bank is in Ankara.

The Bank may, by Board decision, establish a banknote printing house and open branches in cities within the country where deemed necessary. Similarly, the Bank may maintain correspondent banking relationships both within the country and abroad.

The Bank shall convey its decisions in this regard to the Prime Ministry.

The Bank may also establish representative offices in foreign countries by Board decision and with the approval of the Prime Ministry.

Memberships and Participations

Article 3- The Bank may, by Board decision, become a member of international finance, economic and professional organizations in which central banks participate and may participate in such organizations as a shareholder with the consent of the Government.

Fundamental Duties and Powers

Article 4- (As amended by Law No. 4651 of April 25, 2001)

The primary objective of the Bank shall be to achieve and maintain price stability. The Bank shall determine on its own discretion the monetary policy that it shall implement and the monetary policy instruments that it is going to use in order to achieve and maintain price stability.

The Bank shall, provided that it shall not be in confliction with the objective of achieving and maintaining price stability, support the growth and employment policies of the Government.

The fundamental duties and powers of the Bank shall be as follows:

I-The fundamental duties of the Bank shall be;

- a) to carry out open market operations,
- b) to take necessary measures in order to protect the domestic and international value of Turkish Lira and to establish the exchange rate policy in determining the parity of Turkish Lira against gold and foreign currencies jointly with the Government; to execute transactions such as spot and forward purchase and sale of foreign exchange and banknotes, foreign exchange swaps and other derivatives transactions in order to determine the value of Turkish Lira against other currencies,
- c) to determine the procedures and conditions of reserve requirements and liquidity requirement by taking into consideration the liabilities of banks and other financial institutions to be deemed appropriate by the Bank,
- d) to conduct rediscount and advance transactions,
- e) to manage the gold and foreign exchange reserves of the country,
- f) to regulate the volume and circulation of Turkish Lira, to establish payment, securities transfer and settlement systems and to set forth regulations to ensure the uninterrupted operation and supervision of the existing or future systems, to determine the methods and instruments including electronic environment for payments,
- g) to take precautions for enhancing the stability in the financial system and to take regulatory measures with respect to money and foreign exchange markets,

h) to monitor the financial markets,

i) to determine the terms and types of deposits in banks and the terms of participation funds in special finance houses,

II- Fundamental powers of the Bank are as follows:

a) The privilege of issuing banknotes in Turkey shall rest exclusively with the Bank.

b) The Bank shall determine the inflation target together with the Government and shall in compliance with the said target adopt the monetary policy. The Bank shall be the ultimate body authorized and responsible to implement the monetary policy.

c) The Bank shall, with the objective to achieve and maintain price stability, be authorized to utilize monetary policy instruments described in this Law and shall also be authorized to directly determine and implement other monetary policy instruments that it deems appropriate.

d) The Bank shall, under extraordinary conditions and in cases when the resources of the Fund are insufficient, be authorized to grant advance to the Savings Deposits Insurance Fund in accordance with the procedures and conditions that it shall determine.

e) The Bank shall, as the lender of last resort, carry out the operations of extending credits to banks,

f) The Bank shall, in accordance with the procedures and conditions that it shall determine, be authorized to request from banks, the interest rates to be charged in credit operations and deposit – taking.

g) The Bank shall, in order to monitor financial markets, be authorized to request

necessary information and to gather statistical information from banks, other financial institutions and from establishments and institutions authorized to regulate and supervise the said institutions.

III- Main advisory duties of the Bank are as follows:

a) The Bank shall be the financial and economic advisor, the fiscal agent and the treasurer of the Government. The relation of the Bank with the Government shall be maintained through the Prime Minister.

b) The Bank shall present its views to the Government, on the issues to be requested with respect to financial system.

c) The Bank may convey its opinions and observations regarding banks and other financial institutions that it shall deem appropriate to the Prime Ministry and to institutions authorized to regulate and supervise the said establishments and institutions.

The Bank shall be authorized and empowered to set forth and implement regulations pertaining to the duties and powers entrusted to it by this Law and legislation, and shall be authorized and empowered to supervise the compliance with these regulations and the accuracy of the information submitted at these establishments and institutions subject to the said regulations.

The Bank shall enjoy absolute autonomy in exercising the powers and carrying out the duties granted by this Law under its own responsibility.

The Bank shall participate to the bankrupt's estate as a privileged creditor for the amount of its claims and the interest pertaining to them, in the event of bankruptcy of the bank, person or institution with whom the Bank undergoes a transaction during the course of implementing monetary policy instruments.

Actions for damages caused by the personnel of the Bank during the performance of their duties shall only be filed against the Bank. The right of recourse of the Bank shall be reserved.

Capital and Shares of the Bank

Article 5- The capital of the Bank shall be TL 25,000,000.- and shall be divided into 250,000 shares, each with a value of TL 100.-. The capital may be increased with the approval of the Government. The nominal values of the shares shall be TL 100.-, 200.-, 500.-, 1,000.-, 5,000.- and 10,000.-.*

Type of Shares

Article 6- The shares of the Bank shall be registered.

Classes of Shares

Article 7- The shares shall be divided into (A), (B), (C) and (D) classes.

Class (A) Shares

Article 8- Each class (A) share shall consist of at least 100 shares. The shares in this

class shall belong solely to the Treasury and shall not constitute less than fifty one percent of the capital.

Class (B) Shares

Article 9- Class (B) shares shall be allocated to national banks operating in Turkey.

Class (C) Shares

Article 10- A maximum of 15,000 shares shall be allocated as class (C) shares to banks other than the national banks and to companies possessing certain privileges.

Class (D) Shares

Article 11- Class (D) shares shall be allocated to Turkish commercial institutions and to legal and real persons of Turkish nationality.

Change in the Classes of Shares

Article 12- The Bank shall immediately respond to requests for the conversion of shares from one class to the other. No commission shall be charged for the conversion of shares from one class to the other.

The number of class (C) shares shall in no event exceed the amount set forth by this Law.

PART TWO
ORGANIZATION AND GOVERNING
BODIES OF THE BANK

Organization

Article 13- (As amended by Law No.4651 of April 25, 2001)

Governing bodies of the Bank shall be as follows:

- a) General Assembly,
- b) Board,
- c) Monetary Policy Committee,
- d) Auditing Committee,
- e) Office of the Governor,
- f) Executive Committee.

CHAPTER I

The General Assembly

Right to Vote

Article 14- The General Assembly of the Bank shall be composed of the shareholders who are registered in the share book of the Bank. The General Assembly shall convene each year on a date indicated by the Articles of Association of the Bank. Each person owning ten shares or representing this number of shares shall be entitled to one vote.

Duties and Powers of the General Assembly

Article 15- The General Assembly shall have the following duties and powers:

1. to examine the annual report submitted by the Board and the report of the Auditing Committee;
2. to examine and approve the balance sheet and the income statements of the Bank;
3. to release the members of the Board and the Auditing Committee;
4. to increase the capital;
5. to amend the Articles of Association of the Bank;
6. to render a decision concerning the liquidation of the Bank.

Articles of Association of the Bank and Liquidation

Article 16- a) The Articles of Association of the Bank shall become effective upon the approval of the General Assembly and by a decree of the Council of Ministers. Amendments to be made in the Articles of Association of the Bank shall also be subject to this provision.

b) Decisions to be taken for the liquidation of the Bank before the end of the period set

forth in Article 1 shall be valid upon the approval of the Council of Ministers provided that all of the commitments assumed by the Bank under this Law are fully performed.

A two thirds majority shall be required in the General Assembly to amend the Articles of Association of the Bank and to decide on its liquidation **as well.**

Chairmanship of the General Assembly

Article 17- The Governor shall chair the General Assembly.

Representation

Article 18- Those who are not shareholders may not represent more than one vote by proxy at the General Assembly.

CHAPTER II

The Board and the Monetary Policy Committee

(As amended by Law No.4651 of April 25, 2001)

Composition

Article 19- The Board shall be composed of the Governor and six members to be elected by the General Assembly.

The duties of the members may not be reconcilable with any other duty outside the

Bank whether of a legislative, official or private nature unless otherwise permitted by a special law. Furthermore, these members shall not be allowed to engage in trade, nor shall they become shareholders of banks or companies. Duties in charitable associations and in foundations with charitable, social and educational purposes and partnership in non-profit-making cooperative companies are excluded from this provision.

Members of the Board shall be required to have received a higher education and to have acquired knowledge and experience in banking or in the fields of economics and finance.

The Governor shall be the Chairman of the Board.

Salaries and remuneration of the Board members shall be determined by the Council of Ministers. Travel expenditures to be incurred to attend Board meetings by those members residing elsewhere other than the city where the Head Office is located shall be covered by the Bank.

Term of Office

Article 20- The term of office of Board members shall be three years.

One third of Board members shall be renewed each year. Members who are to leave the Board at the end of the first and second years shall be designated by drawing names.

Members whose terms of office have terminated may be reelected.

Meetings, Decisions and Withdrawal from Voting

Article 21- Members of the Board shall neither participate in discussions nor cast votes on credit issues concerning themselves or persons with whom they have a link of interest or kinship in the degrees stated in sub-paragraph 3 of Article 245 of the Code of Civil Procedure.

Board meetings shall be held in Ankara. When necessary, the meetings may also be held elsewhere. The meetings shall be held at least once a month upon a call issued by the Governor. The agenda shall be drawn up by the Office of the Governor. Items brought forth by members that are not drafted in the agenda, shall be included therein and discussed at the same meeting if also supported by the Governor. Otherwise, a decision may be taken to include them in the agenda of the next meeting.

The Board shall convene with the participation of at least two thirds of the members and render a decision by the majority of the members present. In the event of a tie, the proposal of the party supported by the Governor shall be considered adopted.

Vice Governors may attend Board meetings but shall not have the right to vote.

Duties and Powers of the Board

Article 22- (As amended by Law No. 4651 of April 25, 2001)

The duties and powers of the Board shall be as follows:

a) to take decisions concerning monetary policy that may be implemented and monetary policy instruments which may be utilized in compliance with the monetary policy strategy and inflation target,

b) to set forth regulations and to take decisions for, the replacement of banknotes in circulation, as well as their withdrawal from circulation and their destruction,

c) to establish the procedures and conditions and to enact necessary regulations regarding open market operations, foreign exchange operations, rediscount and advance operations as well as rediscount and advance interest rates, reserve requirements and liquidity requirement, other monetary policy operations and instruments, management of gold and foreign exchange reserves of the country,

d) to take decisions pertaining to the issues stipulated in paragraphs (I) and (III) of Article 40,

e) to take decisions for the establishment of payment, securities transfer and settlement systems on conditions that shall promote their soundness and effectiveness, to determine the procedures and conditions of payment methods and instruments, to draw up regulations regarding the surveillance and supervision of clearing houses,

f) to determine the procedures and conditions in requesting information, evaluating risks and collecting statistics,

g) to enact regulations and to render decisions pertaining, to the establishment of branches, representative offices, bureaux and the appointment of correspondents and, to Banknote Printing House,

h) to decide on issues concerning provisions and reserves and to determine the procedures and conditions regarding the transfer of the balance to the Treasury, remaining after the allocation of profit,

i) to prepare the budget, annual report, balance sheet, income statements and the agenda of the General Assembly of the Bank,

j) to submit proposals to the General Assembly for amending the Articles of Association of the Bank and increasing the capital,

k) to approve the regulations on the administration, organization, services and personnel of the Bank,

l) to take decisions on the purchase or acquisition of real property needed by the Bank, as well as on the sale, donation and barter and other transactions when necessary, of real property owned by the Bank,

m) to decide on donation, amicable settlement, release, waiver and cancellation of the amounts and values which are not within the scope of powers that it shall delegate to other governing bodies of the Bank,

n) to approve the annual cadres of the Bank's personnel,

o) to take decisions and set forth regulations on issues submitted by the Office of the Governor for examination and approval, apart from the ones subject to the approval of the

Monetary Policy Committee pursuant to this Law.

The Monetary Policy Committee

Article 22/A- (Annexed by Law No.4651 of April 25, 2001)

The Monetary Policy Committee shall, under the chairmanship of the Governor, be composed of Vice Governors, a member to be elected by and from among the Board members and a member to be appointed by a joint decree on the recommendation of the Governor. The Undersecretary of the Treasury or Deputy Undersecretary to be designated by him/her may participate to the meetings without the right to vote. Monetary Policy Committee membership shall terminate when the term of office of the Governor, Vice Governor and the Board member comes to an end.

The member to be appointed by a joint decree shall be required to have, studies in monetary policy matters and an academic degree in one of the fields of economics, business administration, banking and finance, and shall have worked in his/her field for at least ten years and shall be required to have adequate experience and knowledge. The term of office of this member shall be five years.

The prohibitions stipulated in Article 19 shall also be applicable to the appointed member. However, academic posts in universities shall not be in the scope of this provision. The appointed member shall have the same financial and social rights as the Board members.

The second and third paragraphs of Article 21 shall also be applicable to the Monetary Policy Committee meetings.

The Monetary Policy Committee shall have the following duties and powers:

- a) to determine the principles and strategy of monetary policy in order to achieve and maintain price stability,
- b) to determine the inflation target together with the Government within the framework of the monetary policy strategy,
- c) to provide information to the public in line with the principles set forth, and provide information to the Government within specified periods by preparing reports regarding monetary policy targets and its implementations,
- d) to take necessary measures in order to protect the domestic and international value of Turkish Lira and to establish the exchange rate policy in determining the parity of Turkish Lira against gold and foreign currencies jointly with the Government.

The Monetary Policy Committee shall set forth, which decisions shall be published, together with the procedure of publishing. The issues required to be announced by the Monetary Policy Committee shall be published without delay in the Official Gazette.

The Monetary Policy Committee decisions shall be executed by the Governor and shall be furnished to the Board.

CHAPTER III

The Auditing Committee

Composition, Term of Office and Qualifications

Article 23- Members of the Auditing Committee shall be elected as follows:

1. One member by shareholders of class (A),
2. Two members by shareholders of classes (B) and (C),
3. One member by shareholders of class (D). Each share

within the classes shall be entitled to one vote. Members of

the Auditing Committee shall serve for a term of two years.

Members of the Auditing Committee shall be required to have received a higher education and to have acquired knowledge and experience in the fields of banking and accounting.

Duties and Prohibitions

Article 24- (As amended by Law No.3098 of December 6, 1984)

The Auditing Committee shall supervise all the operations and accounts of the Bank. The Office of the Governor shall be obliged to furnish all the information and documents requested by the Auditing Committee. The Auditing Committee, having no administrative power, shall submit its opinions in writing to the Board and shall also present a copy thereof to the Prime Ministry. The Committee shall submit to the General Assembly a report to be drawn up on the operations and accounts of the Bank as at the end of the year.

Members of the Auditing Committee may not share in the profits of the Bank.

Remuneration of the Auditing Committee members shall be determined by the Council of Ministers. Travel expenditures to be incurred by those members residing elsewhere other than the city where the Head Office is located shall be covered by the Bank.

CHAPTER IV

The Office of the Governor

(A) Governor

Appointment, Qualifications and Term of Office

Article 25- (As amended by Law No. 3670 of October 25, 1990)

The Governor shall be appointed for a term of five years by a decree of the Council of Ministers. The Governor may be reappointed at the expiration of this term.

The Governor shall be required to have received a higher education and to have acquired knowledge and experience in the fields of finance, economics and banking.

Duties, Representation and Powers

Article 26- (As amended by Law No.3098 of December 6, 1984)

The Governor shall, in the capacity of the highest executive officer, administer and represent the Bank within the country and abroad.

The Governor shall be entrusted with the following powers:

1. to ensure the enforcement of the provisions of this Law and the decisions taken by the Board.

2. to take appropriate measures in order to carry out the duties with which the Bank is entrusted by this Law, and to make proposals to the Board on such measures whenever the Governor shall deem necessary.

The Governor may, in the case of his/her dissent from the decisions of the Board, postpone the execution of any decision and may demand it be reconsidered at the next meeting. In urgent circumstances, the Board shall convene upon the call of the Governor and reconsider the issue in dispute. In the event of a disagreement between the Governor and the Board, the Prime Ministry shall act as an arbitrator.

Prohibitions

Article 27- The duties of the Governor may not be reconcilable with any other duty outside the Bank whether of a legislative, official or private nature unless otherwise permitted by a special law. Furthermore, the Governor shall not be allowed to engage in trade, nor shall he become a shareholder in banks or companies. Duties in charitable associations and in foundations with charitable, social or educational purposes and partnership in non-profit-making cooperative companies are excluded from this provision.

It shall not be considered a violation of the provisions of the first paragraph if the Governor assumes duties at inter-ministerial committee meetings held at the level of ministers and undersecretaries.

Temporary Absence and Discharge

Article 28- In the temporary absence of the Governor, the Vice Governor designated by him/her, shall act on his/her behalf during this period.

The Governor may be excused from office through the same procedure applied for his/her appointment, only in cases in which the prohibitions stated in Article 27 are violated and in which there is no longer any possibility for him/her to perform the duties entrusted by this Law.

In case of vacancy in the Governor's post, the Board shall convene under the chairmanship of the most senior member and one of the Vice Governors to be elected as acting Governor shall perform the duties and exercise the powers of the Governor.

(B) Vice Governors

Qualifications, Appointment, Duties and Prohibitions

Article 29- (As amended by Law No.4651 of April 25, 2001)

Four Vice Governors shall be appointed to assist the Governor. Vice Governors shall be appointed by a joint decree for a period of five years on the recommendation of the Governor from among persons who have received a bachelors or a masters degree and acquired adequate knowledge and experience in one of the fields of law, finance, economics,

business administration and banking and have worked in their professions for at least ten years. Vice Governors may be reappointed at the expiration of this term. First paragraph of Article 27 and second paragraph of Article 28 shall also be applicable to Vice Governors.

CHAPTER V

The Executive Committee

Composition, Duties

Article 30- The Executive Committee shall be composed of the Vice Governors under the chairmanship of the Governor. In cases in which the Governor is unable to chair, the Vice Governor designated by him/her shall preside over the Executive Committee.

The duties of the Executive Committee shall be as follows:

1. to prepare proposals to be submitted to the Board, by examining in advance the issues subject to Board decision, when deemed appropriate by the Governor;
2. to draw up regulations on the administration, organization and services of the Bank;
3. to render decisions on issues made subject to the decision of the Executive Committee by regulation;
4. to ensure coordination in the operations of the Bank;
5. to perform such duties related to appointment, salary, dismissal and retirement of

the personnel other than those appointed by the Board.

Decisions of the Executive Committee shall be taken by a majority of all the members. In the event of a tie, the proposal supported by the Governor shall be considered adopted.

CHAPTER VI

Organization of Branches

Composition, Duties

Article 31- The organization and duties of the Bank's Head Office and Branches and the Banknote Printing House, as well as the composition and duties of the Executive Committees of the Branches and Banknote Printing House shall be determined by regulations.

PART THREE

PROVISIONS FOR BANK PERSONNEL

Status of the Personnel

Article 32- The Bank personnel shall consist of the Bank employees as well as the workers of the Banknote Printing House.

The term "Bank employee" shall refer to those persons appointed to perform continuously the main duties that the services of the Bank require.

Provisions of Law No. 624 on the Unions of Civil Servants shall apply to the unions

which Bank employees have already established or shall establish. The prohibition imposed by Article 20 of Law No. 275 of July 15, 1963 shall also apply to the services of the Bank.

The Bank personnel shall be subject to the provisions of this Law and of the regulation to be set forth by the Board.

Native and foreign experts may be employed on a contractual basis by a decision of the Board.

Remuneration Policy

Article 33- The salaries and the representation allowances of the Governor and Vice Governors of the Bank shall be determined by the Council of Ministers.

The Board shall determine any additional remuneration to be paid to the Chairman and Members of the Executive Committee and to the Chairmen and Members of the Executive Committees of the Branches and of the Banknote Printing House for their duties, provided that the amount may not exceed two-thirds of their salaries.

Salaries of other employees shall be fixed by the Board and by the Head Office Executive Committee empowered to appoint them by taking into consideration the above-mentioned salaries. The principles to be observed in this regard, as well as for the payments for business trips of the employees and all other issues shall be specified in the regulation referred to in Article 32.

Retirement of Personnel

Article 34- The provisions of Law No. 5434 shall apply to the personnel of the Bank

and to those who shall be elected to the Board from posts whereby retirement benefits are provided, with the exclusion of the workers of the Banknote Printing House.

The retirement contributions of those employed at the Bank on the effective date of this Law shall be deducted from salaries fixed by Law No. 5434 as a basis for these contributions. The provision of the second sub-paragraph of paragraph (B) of Article 15 of the same Law shall apply to such personnel with respect to their monthly pay increases. Provisions of the same Law shall also apply to personnel employed on a contractual basis, whose previous posts are subject to retirement benefits.

Salaries of such appointed personnel who are subject to retirement contributions after the effective date of this Law, shall be determined in accordance with the provisions of paragraph (B) of Article 15 of Law No. 5434.

(As amended by Decree-Law 562 of July 25, 1995) In connection with retirement, "supplementary salary indicator" and "senior post allowance" determined for the Undersecretaries and Deputy Undersecretaries of the Ministries shall apply to the Governor and Vice Governors respectively; and the "senior post allowances" shall apply to other personnel considering the duties they perform, which is determined for similar duties as specified in the ranks they may enter according to the Law on Civil Servants. The term of office of the posts shall be considered as being executed in the duties subject to senior post allowance pursuant to Supplementary Article 68 of the Law on Pension Fund No. 5434.

Secrecy and Responsibility

Article 35- Personnel of the Bank shall be obliged to observe the secrecy of matters pertaining to the Bank or to persons and institutions dealing with the Bank which they acquire within their official capacities and due to their positions, as well as not to disclose these

secrets, in any manner whatsoever, to those other than the authorities entitled by law.

This obligation shall continue to be binding even after they leave the Bank.

Personnel of the Bank shall be subject to the provisions on tort in the Code of Obligations for the damages they cause to the Bank in connection with their duties.

PART FOUR

DUTIES AND POWERS OF THE BANK

CHAPTER I

Issuance of Banknotes

Issuance of Banknotes and Obligatory Circulation

Article 36- a) The circulation of banknotes already issued and to be issued by the Bank shall be compulsory and they shall have unlimited capacity of payment.

b) (As amended by Law No.4651 of April 25, 2001) The Bank shall also have the power to issue banknotes in connection with the operations stipulated in Articles 45, 52 and 53.

Replacement of Banknotes

Article 37- (As amended by Law No.3098 of December 6, 1984)

a) The Bank may replace the banknotes in circulation with new issues, when deemed necessary.

The old banknotes withdrawn from circulation shall fall into statute of limitation after ten years beginning from the date the replacement process commences.

The date on which the replacement process shall commence as well as the duration of the compulsory circulation of old banknotes within the statute of limitation of ten years shall be determined by the Board and be published in the Official Gazette.

b) Based on the principles to be determined by the Prime Ministry and the Bank and in accordance with the "Gabarit " (quadrant scales method) as set forth by regulation, old and worn out banknotes shall be replaced with the banknotes kept in reserve.

c) Principles related to the cancellation and destruction of banknotes withdrawn from circulation, and banknotes replaced due to becoming old, worn out or mutilated shall be specified by regulation.

Coins

Article 38- (Repealed by Law No. 1264 of May 28, 1970)

CHAPTER II

Duties and Powers pertaining to the Protection of the

Stability of the Turkish Currency

Matters to be Announced

Article 39- (As amended by Law No. 3098 of December 6, 1984)

The Bank shall announce the rates of rediscount, discount and interest applicable to its operations and the conditions of the open market policy to be determined by the Board from time to time.

The buying and selling prices of gold and foreign exchange, to be determined by the Board in accordance with Article 4, as well as the decisions to be taken in conformity with sub-paragraphs (3) and (5) of Article 22 shall be published in the Official Gazette.

Duties and Powers of the Bank in Money and Credit Issues

Article 40- (As amended by Law No.5411 of October 19, 2005)

I-a) The Bank may, as the lender of last resort, provide daily or end-of-day credit facilities to the system against collateral so as to eliminate the technical payment problems which may obstruct the efficient functioning of the financial markets, and the temporary liquidity shortages that may cause interruption in the payment system.

b) (Repealed by Law No.5411 of October 19, 2005)

c) The Bank may extend credits to the banks that are the subject of uncertainty and lack of

confidence in the event of acceleration of fund withdrawals and uncertainty and lack of confidence in the banking system, in the amount to cover the withdrawal of funds, the conditions of which shall be determined by the Bank. In the event of bankruptcy of banks to which the Bank extends credit in accordance with this provision, the Bank shall participate to the bankrupt's estate as a privileged creditor for the amount of the credit extended and the interest pertaining to it.

II- Banks and other financial institutions to be deemed appropriate including those issuing electronic payment instruments, shall, by taking into consideration their liabilities, maintain reserve requirements in cash, at the accounts to be opened with the Bank. The procedures and principles of implementation pertaining to the scope of liabilities subject to reserve requirements, the ratio of reserve requirements, their establishment period and interest rate to be applied to those requirements when necessary, including the transactions to be executed in extraordinary withdrawals from deposit and participation funds and in mergers, acquisitions and divisions shall be determined by the Bank.

The Bank shall determine the quality and the ratio of the liquidity requirement to be maintained by the above-mentioned institutions against their undertakings when necessary.

The reserve requirements, which might be required to be blocked at the Bank accounts in accordance with the regulations to be issued by the Bank, shall be kept at blocked accounts and shall not be utilized to finance any purpose or issue, shall not be assigned or attached.

Where reserve requirements and liquidity requirements are not established within the specified period or established deficiently, the Bank shall be authorized to either request interest-free deposit accounts to be kept at the Bank or impose penalty interest for the deficient portion in accordance with the procedures and principles to be determined thereof. The accrued penalty interest claims shall be collected in accordance with Law No.6183 on the Procedure of Collection of Public Claims. The default interest so collected shall be registered as revenue to the Savings Deposits Insurance Fund.

III- a) Banks shall provide information to the Bank on interest rates to be charged in credit operations and deposit-taking in accordance with the principles to be determined, within the framework of the powers delegated to the Bank by legislation for the execution of the fundamental powers and duties of the Bank.

b) The Bank shall determine the terms and types of deposits in banks and the terms of participation funds in special finance houses.

CHAPTER III

Relations Between the Bank and the Government and Relevant Duties

Acting as Financial and Economic Advisor, Fiscal Agent and Treasurer

Article 41- (As amended by Law No. 3291 of May 28, 1986)

I- As financial and economic advisor:

The Bank shall be the financial and economic consultative body of the Government. In this capacity, the Bank shall submit opinions concerning money and credit policy which are requested by the Government.

The Bank shall be represented in the negotiations of financial and trade agreements to be conducted with foreign countries.

II- As fiscal agent:

The Bank may be assigned as the fiscal agent for the Government in the international financial and economic relations of the State.

The Bank may be entrusted with the duties of carrying out the financial servicing of

the government paper, with the exchange controls and the implementation of foreign trade policy or with similar operations in accordance with special laws or decisions based thereon. The Bank may not be held liable by third persons for the operations it shall perform in this capacity.

III- As treasurer:

The Bank shall be the treasurer of the Government. In this capacity, the Bank shall, in particular, execute free of charge collections and disbursements and all the Treasury operations both within the country and abroad, as well as domestic and foreign money transfers and remittances of all types on behalf of the State.

Funds of the Treasury and the annexed-budget administrations, and of local administrations and municipalities must be deposited with the Bank where the Bank is present or with its correspondent banks where it is not present.

The Bank shall pay no interest on such deposits.

Special Audit and Disclosure to Public

Article 42- (As amended by Law No. 4651 of April 25, 2001)

The Prime Minister may have the operations and accounts of the Bank audited. The Prime Ministry may request any information in this regard from the Bank.

The Bank may have the balance sheet and the income statements audited by

independent external auditing institutions.

The Governor shall submit a report to the Council of Ministers on the operations of the Bank and the monetary policy followed and to be followed, each year in April and October. The Bank shall furnish information regarding its operations to the Planning and Budget Commission of the Grand National Assembly of Turkey twice a year.

The Bank shall prepare periodical reports concerning monetary policy targets and implementations and disclose these information to public. The periods of the reports to be prepared, their scope and disclosure procedure shall be determined by the Bank. The Bank shall submit information to the Government in writing and inform the public disclosing the reasons of incapability to achieve the determined targets in due time published or the occurrence of the possibility of not achieving and the measures to be taken thereof.

CHAPTER IV

Request for Information and the

Centralization of Risks

Authority to Request Information,

Balance Sheets and the Reports of Banks

Article 43- (As amended by Law No. 4651 of April 25, 2001)

All banks, special finance houses, and other financial institutions deemed appropriate by the Bank, operating in Turkey shall be required to submit their annual balance sheets and income statements along with the reports of their boards of directors and auditors to the Bank, at the latest within one month, after their general assembly meetings and the reports of

independent auditing institutions after the date of preparation.

The Bank shall be authorized to request, in accordance with the procedures and conditions it determines, all kinds of information and documents from the establishments and institutions cited in the first paragraph in order to be able to perform the duties assigned by this Law and other legislation in force. The establishments and institutions indicated in the first paragraph shall be required to submit the information requested within the period determined by the Bank. The Bank may when necessary suspend or restrict the operations authorized by this Law, of the establishments and institutions cited in the first paragraph, who fail to provide the required information accurately and in time to the Bank.

The Bank, within the scope of its authority, may request information from establishments and institutions authorized to regulate and supervise the establishments and institutions referred to in the first paragraph. The Bank may, when necessary, convey its opinions and observations regarding the establishments and institutions referred to in the first paragraph, to the Prime Ministry, Banking Regulation and Auditing Institution and to other establishments and institutions authorized to regulate and supervise the said.

The Bank may, in collecting statistics, cooperate with public establishments and institutions, Undersecretariat of Treasury, State Statistics Institution and authorities of foreign countries entitled to collect statistical information and with international institutions. The Bank shall be authorized to directly request and collect, all statistical information relating to financial system and other statistical information that shall be deemed necessary for the surveillance of developments in the economy and the balance of payments, from banks, other financial institutions and persons. The aforesaid persons shall be obliged to submit these information accurately within the period and form to be determined by the Bank. The Bank shall be authorized to investigate and supervise the accuracy of these information at the concerned parties, and to request additional information and documents.

The Bank may publish the statistical information that it deems necessary. However, the Bank shall not publish, disclose or submit the statistical information having a private and personal nature to an official authority or private body other than the Banking Regulation and Auditing Institution. These information shall not be used for purposes other than statistics and shall not be considered as evidence.

Centralization of Risks

Article 44- (As amended by Law No.5411 of October 19, 2005)

The Bank shall establish a Risk Center in order to centralize and share information with the Banking Regulation and Supervision Agency and related institutions on the risks of the customers of the savings deposits banks, contribution banks, development and investment banks, financial holding companies, financial leasing companies, factoring companies, financing companies and other financial institutions operating in Turkey which shall be determined by the Bank and the Banking Regulation and Supervision Agency.

The institutions mentioned above shall be obliged to submit all the requested information on the risks of their customers, including the notices of protests issued vis-a-vis the banks, in accordance with the form and context to be specified. All operations and records of the Risk Center shall be confidential.

The procedures and principles pertaining to the form and context, collection and sharing of the information to be provided by the Risk Center and other issues, shall be determined by the Bank in consultation with the Banking Regulation and Supervision Agency.

PART FIVE

OPERATIONS TO BE PERFORMED BY THE BANK

CHAPTER I

Operations with Credit Institutions

Acceptance of Bills and Documents for Rediscount and Advance

Article 45- (As amended by Law No.4651 of April 25, 2001)

The Bank may, within the scope of principles to be determined by it, accept commercial bills and documents to be presented by banks for rediscount, provided that they bear at least three signatures of solvent persons and have a maximum of 120 days for their maturity. The types of commercial bills to be accepted for rediscount and other conditions shall be stipulated by the Bank. The maximum amount of loans to be extended in accordance with this article and their limits pursuant to credit types shall be determined by the Bank by taking monetary policy principles into consideration.

The Bank may also grant advances against the bills that it may accept for rediscount.

Medium Term Rediscounts and Advances

Article 46- (Repealed by Law No.4651 of April 25, 2001)

Maximum Amount of Bills Eligible for Rediscount or Advances

Article 47- (Repealed by Law No.4651 of April 25, 2001)

Advance against Bonds

Article 48- (Repealed by Law No.4651 of April 25, 2001)

The Discount Committees of the Head Office and of the Branches

Article 49- (Repealed by Law No.4651 of April 25, 2001)

CHAPTER II

Operations with the Treasury and

Public Institutions

Short-Term Advances to the Treasury

Article 50- (Repealed by Law No.4651 of April 25, 2001)

Credit to Public Institutions

Article 51- (Repealed by Law No.4651 of April 25, 2001)

CHAPTER III

Open Market Operations

Article 52- (As amended by Law No. 4651 of April 25, 2001)

The Bank may, with an aim to effectively regulate the money supply and liquidity in the economy within the framework of monetary policy targets, conduct open market

operations against Turkish Lira such as outright purchase and sale of securities, repurchase and reverse repurchase, lending and borrowing securities and lending and borrowing of Turkish Lira deposits, and act as an intermediary in these operations. The open market operations to be carried out by the Bank and their procedures and conditions, and the instruments bearing high liquidity and low risk levels which shall be subject to open market operations shall be determined by the Bank.

The Bank, in the scope of open market operations, may issue liquidity bills whose maturity shall not exceed 91 days and that shall be tradable in the secondary markets, for its own account and behalf. However, the matters such as the prevention of the liquidity bills from being a permanent alternative investment tool, and the limitation of the issuance of the said bills so as merely to promote the effectiveness of open market operations shall be taken into consideration. The agreement period of repurchase, reverse repurchase and Turkish Lira deposit transactions of the Bank shall not exceed 91 days; the initiation of the period shall be the value date of the transactions.

The Bank shall be authorized to designate establishments and institutions subject to the operations described in this article, from among banks and intermediary institutions specified in Law No.2499 on Capital Markets, by taking the nature of the operation into consideration.

Open market operations shall be conducted only for monetary policy purposes and shall not be conducted to provide credit to the Treasury, to public establishments and institutions, or to other establishments and institutions.

CHAPTER IV

Operations on Gold and Foreign Exchange

Article 53- (As amended by Law No.4651 of April 25, 2001)

a) The Bank may, within the framework of its monetary policy to determine the value of Turkish Lira against other currencies, execute transactions such as spot and forward purchase and sale of foreign exchange and banknotes, foreign exchange swaps and other derivatives transactions.

b) The Bank shall manage the gold and foreign exchange reserves of the country consistent with the monetary policy targets and practices. The Bank may, with this objective and in compliance with the terms and conditions to be determined by it, perform all kinds of banking activities in the domestic and international markets covering spot or forward purchase and sale of gold, foreign exchange, securities and derivatives products, as well as lending and borrowing operations, by taking into consideration the security, liquidity and return priorities respectively.

Loan Limits

Article 54- (Repealed by Law No.4651 of April 25, 2001)

CHAPTER V

Other Operations

Article 55- The Bank may perform banking operations and services to be determined by the Board.

The Bank shall supervise the operations of interbank clearing houses which already

exist or which shall be established in the future in places where the branch offices are located.

PART SIX

Operations Prohibited for the Bank

Article 56- (As amended by Law No. 4651 of April 25, 2001)

The Bank shall not, grant advance and extend credit to the Treasury and to public establishments and institutions, and shall not purchase debt instruments issued by the Treasury and public establishments and institutions in the primary market.

The Bank shall not extend credits and grant advances except for the operations authorized by this Law, and the credit to be extended and the advance to be granted shall not be unsecured or without cover, and in any manner whatsoever the Bank shall not, be a guarantor or provide security other than its own direct transactions.

PART SEVEN

ACCOUNTS AND BALANCE SHEET OF THE BANK,

BULLETIN, EXCEPTIONS, EXEMPTIONS AND MISCELLANEOUS PROVISIONS

CHAPTER I

Accounts of the Bank and Accounting Period for its Balance Sheet

Article 57- The accounting period of the Bank shall be the calendar year.

Balance Sheet and Report

Article 58- (As amended by Law No. 3098 of December 6, 1984)

The Bank shall, prior to the meeting of the General Assembly, submit to the Prime Ministry the balance sheet and the income statement along with the annual report to be prepared as of the end of each calendar year and shall have the balance sheet published in the Official Gazette.

Provisions and Special Reserves

Article 59- Provisions, in the amounts deemed appropriate by the Board, may be set aside from the gross annual profit of the Bank in order to meet contingent risks which may occur in the following years due to the operations exclusive to the Bank.

Banknotes whose statute of limitation have expired as well as the differences arising from replacement in accordance with paragraph (b) of Article 37 shall be included in special reserves.

Allocation of Profit

Article 60- The annual net profit of the Bank shall be allocated in the following order:

a) 20 percent to the reserve fund;

b) 6 percent of the nominal value of its share capital to the shareholders as the first

dividend;

c) a maximum of 5 percent of the remaining amount to the Bank personnel in an amount not to exceed the sum of two months' of their salaries; and 10 percent to the extraordinary reserve fund; after deducting the above-stated percentages;

d) a second dividend to the shareholders in the ratio of a maximum of 6 percent of the nominal value of its share capital by a decision of the General Assembly.

The balance shall be transferred to the Treasury after this allocation.

Revaluation Differences

Article 61- (As amended by Law No. 4651 of April 25, 2001)

The unrealized valuation gains and losses, arising from the revaluation of gold and foreign exchange due to a change in the value of the Turkish currency, shall be monitored in a temporary account. In the event that these valuation gains and losses are realized, the realized amounts shall be transferred to the income statement, and then shall be subject to distribution from this account.

Liquidation

Article 62- In the event of liquidation of the Bank, the principles applicable to liquidation shall be determined in a law. The values of the shares shall be paid out with first priority from the net assets to be obtained as a result of liquidation. Following the payment of the shares at par, 80 percent of the remaining amount shall be transferred to the Government

and 20 percent shall be distributed to the shareholders.

CHAPTER II

Bank Bulletin

Article 63- The Bank shall issue a bulletin announcing a brief statement of accounts as of the end of each week and shall also publish it in the Official Gazette.

The Bulletin shall contain the cash balance of the Bank, its gold assets and foreign exchange positions, the aggregate of the domestic bills payable, the Bank's deposits held in foreign countries, and other claims on one side; and the capital of the Bank, its reserves, the amount of banknotes in circulation, the deposits with the Bank, and other debts on the other side; as well as the current rediscount, discount and interest rates applicable to the Bank's operations.

This bulletin shall be forwarded to foreign central banks and the institutions which are deemed appropriate.

CHAPTER III

Exemptions, Exceptions and

Miscellaneous Provisions

Exemption from Taxes, Duties and Charges

Article 64- The capital of the Bank, its reserves, profits accrued in respect of class (A) shares as well as gold bullion or gold coins to be imported by the Bank; the imports to be effected for the Banknote Printing House and the installations thereof shall be exempt from all kinds of taxes, duties and charges.*

The Bank shall be exempt from stamp duty as well as from duties and charges of any kind to be paid in connection with all the documents, announcements and other similar items associated with its own banking operations.

Tariffs Applicable to the Transportation of Valuables

Article 65- Weight-based freight tariffs shall apply to the transportation of all kinds of gold coins, gold bullion and Turkish Lira banknotes, as well as bonds, bills and foreign banknotes belonging to the Bank by means of Türk Hava Yolları A.O., Türkiye Cumhuriyeti Devlet Demir Yolları İşletmesi, Denizcilik Bankası T.A.O. and D.B. Deniz Nakliyatı T.A.Ş..

Nature of the Books and Records of the Bank

Article 66- All kinds of documents, records, books and bills of the Bank and the statements of account based thereupon shall be considered official documents.

Domicile of the Debtor

Article 67- The address given by the debtors or by their guarantors during the conduct of a transaction with the Bank shall be considered their legal domicile. Subsequent changes shall not alter the jurisdiction of the court or its enforcement power.

Penal Provisions

Article 68- (As amended by Law No. 5728 of January 23, 2008)

I-a) Any officer or relevant person of banks and of other financial establishments and institutions, who does not comply with the regulations set forth by the Bank within the framework of the powers granted to it in accordance with the fourth paragraph of Article 4 and with Article 52 on open market operations, of this Law, and who fails to establish in due time or who establishes deficiently the ratios fixed for reserve requirements and liquidity requirement pursuant to paragraph (II) of Article 40 of this Law, shall be sentenced to a judicial fine of two hundred to four hundred days.

b) Any officer or relevant person of banks and of other financial establishments and institutions, who fails to furnish the documents and information specified in the first and second paragraphs of Article 43 and in Article 44 of this Law, or who provides inaccurate information and documents, or who obstructs the audit set forth in the fourth paragraph of Article 4 of this Law, shall be sentenced to a penalty of imprisonment for a term of one to three years and a judicial fine of four hundred to eight hundred days.

The commencement of an investigation and prosecution in connection with the offences described in this paragraph shall be subject to the filing of a petition by the Banking Regulation and Supervision Agency with the Office of the Chief Public Prosecutor either upon the request of the Bank or after obtaining the Bank's opinion. In this case, the provisions of Article 162 of the Banking Law shall apply.

II-a) Any staff member of the Bank who violates the first and second paragraphs of Article 35 of this Law shall be sentenced to a penalty of imprisonment for a term of one to three years and a judicial fine which shall not be less than hundred days.

Any staff member of the Bank who discloses confidential information in order to obtain benefits for himself or other persons shall be sentenced to a penalty of imprisonment for three to five years and a judicial fine of one thousand to ten thousand days.

b) Any staff member of the Bank who embezzles, for the benefit of himself or another, the money, or the documents or bills which substitute money, or other goods, which he is obliged to keep and supervise or which are held by him by reason of his office, shall be punished with a penalty of imprisonment for six to twelve years and a judicial fine of up to five thousand days and also be sentenced to indemnify the damage incurred by the Bank.

Where the offence is committed by conducting fraudulent acts to ensure that the embezzlement shall not be discovered, the offender shall be sentenced to a penalty of imprisonment which shall not be less than twelve years and a judicial fine of up to twenty thousand days; however, the amount of the judicial fine shall not be less than three times the damage incurred by the Bank. Furthermore, if the damage occurred has not been indemnified, the court shall, on its own initiative, render a judgment for the payment.

In the event that the money, or the documents or bills that substitute money, or other goods, are returned in their original state or the damage incurred is totally indemnified, prior to the initiation of the investigation, two thirds of the fine to be imposed shall be reduced.

If, prior to the commencement of the prosecution, the embezzled money, or such documents or bills that substitute money, or other goods, are voluntarily returned in their original state or the damage incurred is totally indemnified, the penalty to be imposed shall be reduced by one half. In case this happens before the judgment is rendered, the penalty to be imposed shall be reduced by one third.

Where the value of the money, or of the documents or bills that substitute money, or of other goods, which are the subject matter of the offence of embezzlement, is minimal, the penalty to be imposed shall be reduced by one third to one half.

The commencement of an investigation and prosecution, against the personnel of the Bank in connection with the offences described in this paragraph and their actions during the performance of their duties specified in the Law, shall be subject to the filing of a petition by the Board with the Office of the Chief Public Prosecutor, and the commencement of an investigation and prosecution against other staff members of the Bank who are in office by appointment and election shall be subject to the filing of a petition by the Prime Minister with the Office of the Chief Public Prosecutor.

III- a) Anyone who intentionally takes an action which may tarnish the reputation or damage the credibility or assets of the Bank or who disseminates and publishes false information thereof shall be sentenced to a penalty of imprisonment for one to two years and a judicial fine which shall not be less than hundred days.

b) Any real person and any responsible person of a legal entity, who fails to furnish the documents and information in the fourth paragraph of Article 43 of this Law accurately in accordance with the terms and conditions specified, shall be sentenced to a judicial fine of thirty to sixty days.

The commencement of an investigation and prosecution in connection with the offences described in this paragraph shall be subject to the filing of a petition by the Office of the Governor with the Office of the Chief Public Prosecutor.

Supplementary Article - (Introduced by Law No. 3098 of December 6, 1984)

The terms "Minister of Finance" and "Ministry of Finance" referred to in Law on the Central Bank of the Republic of Turkey No. 1211 of January 14, 1970 are amended to read "Prime Minister" and "Prime Ministry" respectively.

Provisional Article 1- The Board of Directors of the Bank shall be transformed into the Board of the Bank on the enforcement date of this Law. The duties of the members shall continue until the completion of their respective terms of office. The duties of the member of the Board of Directors representing the personnel shall terminate on the effective date of this Law.

Provisional Article 2- As of the effective date of this Law, the General Director of the Bank shall be designated as "Governor" and the Assistant General Directors of the Bank designated as "Vice Governors", and their duties shall continue until the end of their respective terms of office.

Provisional Article 3- Those who are auditors on the effective date of this Law shall continue to perform their duties as members of the Auditing Committee until the end of their terms of office.

Provisional Article 4- The duties of other persons employed by the Bank on the effective date of this Law shall continue.

Provisional Article 5- Treasury bills held in the portfolio of the Bank on the effective date of this Law shall be liquidated in accordance with the principles and conditions to be determined by the Ministry of Finance and the Bank. The advance account which has been

extended to T. Emlak Kredi Bankası against Treasury guaranteed bonds shall be liquidated in the same manner among the Ministry of Finance, the Bank and the institution concerned.

Provisional Article 6- The banknotes issued in accordance with the Law No. 1715 and which circulate on the effective date of this Law shall remain in circulation under the provisions of this Law until they are replaced by a new issue.

Provisional Article 7- All the decisions taken by the Committee for the Regulation of Bank Credits shall continue to be valid after the effective date of this Law unless otherwise decided by the Bank.

Provisional Article 8- The aggregate of the shares corresponding to the TL 10 million increase in the capital which was raised from TL 15 million to TL 25 million in accordance with Article 5 of this Law, shall be allocated to class (A).

The amount corresponding to the TL 10 million shares in question shall be covered all at once from the available provisions with the Bank before the first meeting of the General Assembly after the effective date of this Law.

Provisional Article 9- (Added by Law No. 3985 of April 21, 1994 to be effective on January 1, 1995)

The amounts accumulated in the advance account in 1994 and in the previous periods and the amounts to be utilized between 1995 and 1998 as specified in Article 50 shall be liquidated in accordance with the principles to be determined between the Prime Ministry and the Bank.

Laws Repealed

Article 69- The following laws are repealed:

Law on the Replacement of Banknotes by their Reserves No. 1514 of 2.6.1929; Law on the Central Bank of the Republic of Turkey No. 1715 of 11.6.1930 and the following amendments as:

Law No. 3133 of 12.2.1937; Law No. 4431 of 12.6.1943; Law No. 5167 of 4.2.1948; Law No. 5256 of 8.7.1948; Law No. 5377 of 2.5.1949; Law No. 6544 of 27.4.1955; Law No. 6571 of 18.5.1955; Law No. 6758 of 25.6.1956; Law No. 260 of 24.2.1961; Law No. 142 of 3.1.1963; Law No. 583 of 21.4.1965 and Articles 33 and 47 of Banks Act No. 7129; paragraph 2 of Article 9, as amended by Law No. 302, of Law No. 2279 on Loans.

Paragraph 3 of Article 4 of Law No. 468* of May 12, 1964 is amended to read as follows:

"The Central Bank of the Republic of Turkey is not considered to be a State Economic Enterprise and is not subject to audit as set forth by this Law. Auditing of this Bank by the Turkish Grand National Assembly shall be conducted through the examination of the National Budget as referenced in Article 94 of the Constitution."

The final paragraph of Article 4 of Law No. 468 of May 12, 1964 is amended to read as follows:

"The administrations, establishments and public professional organizations stated in paragraphs 1 and 2 are considered public corporate bodies for the purposes of paragraph 1.

Provisions of current laws in force which do not comply with this Law shall not apply to the Bank."

Enforcement Date

Article 70- This Law shall become effective on the date of its publication.

Enforcement

Article 71- The Council of Ministers shall be entrusted with the enforcement of this Law.

Articles of Law No.4651 of April 24, 2001, which are not annexed to this Law, are as follows:

Provisional Article 1- The provision pertaining to the terms of office stipulated in Article 29 of Law No. 1211 which has been amended by Article 5 of this Law shall not be applicable to the Vice Governors who shall be in office on the effective date of this Law.

Provisional Article 2- The funds accumulated at the advance account described in Article 50 of Law No.1211 which is repealed by Article 16 of this Law shall be liquidated in accordance with the principles determined by the Bank and the Treasury; credits extended to public establishments and institutions pursuant to Article 51 shall be liquidated to be paid back in compliance with the extension procedures.

The Bank may purchase debt instruments issued by the Treasury in the primary market for a period of six months beginning from the effective date of this Law.

*By Decision of the General Assembly of April 28, 1988 and the Decree of the Council of Ministers on Amending Certain Articles of the Articles of Association of the Bank No. 88/13075 of June 24, 1988 the capital was increased to TL 25,000,000,000.-; the nominal values of the shares were increased to TL 100,000.-, 200,000.-, 500,000.-, 1,000,000.-,

S,000,000.- and 10,000,000.-.

* Provisions pertaining to all kinds of tax, duty and fee exemption applicable to importation are repealed by Article 1 of Law No. 3283 of May 6, 1986.

* Law No. 468 is abolished by Law No. 3346 of April 2, 1987