THE LAW

8

THE CENTRAL BANK OF THE REPUBLIC OF TURKEY



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Ankara August 1996

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ESTABLISHMENT, FUNDAMENTAL DUTIES AND POWERS, CAPITAL Establishment and Title
Article 1- (As amended by Law No. 3985, dated
April 21, 1994)

Law No. 1211 Date of Acceptance: January 14, 1970

THE LAW
ON
THE CENTRAL BANK OF THE REPUBLIC OF

on from Texes, Duties and

The Central Bank of the Republic of Turkey is harsinafter referred to as the "Bank" in this Law. Head Office and Branches Article 2- The head office of the Bank is in Ankara.

The Bank may also establish representative offices in foreign countries by Board decision and with the approval of the Ministry of Finance. The Bank shall convey its decisions in this regard to the Ministry of Finance*. The Bank may, by Board decision, establish a bankrobe printing house and open branches cities within the country where deemed necessary Similarly, the Bank may maintain correspondent banking relationships both within the country and abroad.

Memberships and Participations
Article 3- The Bank may, by Board debision,
become a number of thermstool finance, excomin
and professional organization in which central
banks participate and may participate in usuch
to departicipate as a mareholder with the consent of
the Commitment.

 e) to conduct open market operations in order to regulate money supply and liquidity in the economy;
 f) to determine the terms and types of deposits, as well as their manurity dates and validity periods; to carry out the operations of extending credits to banks within the principles and limits stated by this Law; c) to regulate the volume and circulation of the national currency in accordance with this Law; b) to take necessary measures jointly with the Government to protect the domestic and international value of the national currency; a) to carry out money and credit policy in accordance with the needs of the economy and so as to maintain price stability by taking into consideration the development plans and annual programs;

! - The fundamental duties of the Bank pursuant to the provisions of this Law and with the aim of encouraging economic development shall be as follows: Article 4- (as amended by Law No. 3291, dated May 28, 1980) Fundamental Duties and Powers

> n) to manage gold and foreign exchange reserves in line with the economic interests of the country within the framework of relevant rules and regulations and decisions to be taken by the Government; g) to determine the parity of the national currency against gold and foreign currencies within the principles to be set forth by the Government;) to trade in foreign exchange and precious metals in the stock exchange within the framework of the seclaions to be taken by the Government;

The Bank shall, in particular, carry out the duties of financial and economic advisor, fiscal agent and treasurer to the Government in conformity with the provisions of this Law. II - Fundamental powers of the Bank are as follows:

to administer and represent the "Savings Deposits Insurance Fund".

The Bank shall;

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

b) The Bank shall have the authority to take decisions on money and credit issues and to submit proposals to the Government within the powers granted by this Law.

The Bank shall be responsible for the independent exercise of the powers granted by this Law.

a) present to the Government, when required, its views with regard to measures to be taken on money and credit within the powers granted by this Law.

be consulted prior to any decision granting permassion for the establishment of banks and other financial institutions, as well as for the liquidation of such institutions for which the power to liquidate rests with the Government.

d) The Bank shall have the power to review the banks: compliance with all the arrangements it makes under the powers and duties granted to it by legislation in force. III - Main advisory duties of the Bank are as follows:

c) The Bank shall determine the rediscount, discount and interest rates applicable to its own transactions while taking line consideration the economic policies pursued by the Government.

Article 5- The capital of the Bank shall be TL 25,000,000- and shall be divided into 25,000 shees, each win a value of TL 100. The capital may be increased with the approval of the Government The normal values of the the Article 7- The shares shall be divided into (A), (B), (C) and (D) classes. Type of Shares
Article 6. The shares of the Bank shall be registered. Classes of Shares

Class (A) Shares

Article 9. Each class (A) shares shall contact of at least 100 shares. The shares in this class shall believe panyly to the Treasiny and shall not constitute less than tiffy one pocent of the capital.

Class (B) shares whall be allocated to national banks opening in Turkey.

Class (C) shares

Class (C) Shares

Change in the Classes of Shares
Article 12. The Bank shall immediately respond to
requests for the convention of shares from one class
to the other. No commission shall be changed for the
conversion of shares from one class to the other, 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.

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

Article 13- The organs of the Bank shall be as follows:

ORGANIZATION AND ORGANS OF THE BANK
Organization and Organs

a) The General Assembly of Shareholders
b) The Board
c) The Office of the Governor
d) The Auditing Committee
e) The Executive Committee
e) The Executive Committee The Discount Committees of the Head Office and Branches 1- to examine the annual report submitted by the Board and the report of the Auditing Committee; 3- to release the members of the Board and the Auditing Committee; Article 15- The General Assembly shall have the following duties and powers: Duties and Powers of the General Assembly

5- to amend the Articles of Association of the Bank;

The General Assembly Right to Vote

Article 21. Members of the Board shall neither perticipate 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 Meetings, Decisions and Withdrawal from Voting

> The duties and powers of the Board shall be as follows: Duties and Powers of the Board Article 22- (as amended by Law No. 3058 dated December 6, 1984) Vice Governors may attend Board meetings but shall not have the right to vote.

One third of Board members shall be renewed every year. Members who are to leave the Board at the end of the first and second years shall be designated by drawing names. ns whose terms of office have terminated may leated.

Article 20- The term of office of Board members shall be three years. Term of Office The Board shall convene with the participation of at least two thirds of the members and render a decision by the supply of the members present, in the event of a te, the proposal of the party supported by the Governor shall be considered adopted.

Salaries and remuneration of the Board members anali be determined by the Council of Ministers. Travel expenditures to be incurred to attend Board meetings by those members residing elsewhere other than the oby where the head Office is located shall be covered by the Bank. The Governor shall be the Chairman of the Board.

knowledge and experience in banking or in the fields of economics and finance.

stated in sub-paragraph 3 of Article 245 of the Code of Civil Procedure.

Members of the Board shall be required to have received a higher education and to have acquired

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The duties of the members may not be recordinate with any other day causable the Blank withdrar of a legislative, official or provin nature unless otherwise permitted by a several law. Furthermore, these permitted by a legislative, and the second to engage in these, not compared a Duties in normalities associations and to considerable. Duties in normalities associations and operations with characterist in Incorporationations provision.

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

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

The Office of the Governor
Article 17- The Governor shall chair the General
Assembly.

b) Decisions to be taken for the liquidation of the Bank before the end of the portical set forth in Article 1 shall be will upon the approach fine Council of Ministers provided that all of the commitments assumed by the Bank under this Law are fully performed.

CHAPTER II
The Board

6- to render a decision concerning the liquidation of the Bank. Article 16-a) The Articles of Association of the Bank hall become effective upon the approval of the baneral Assambly and by a docree of the Council of Ulrisisters. Amendments to be made in the Articles of Managedition of the Bank shall also be subject to this consistent. Articles of Association of the Bank and Liquidation

14- to determine the quality, quantity and size of roal rooperty needed by the banks to carry out their sanking activities; to grant permission to scquire real zoperty apart from the immovables to be allocated

 One member by shareholders of class (A);
 Two members by shareholders of classes (B) and (C); Each share within the classes shall be entitled to one vote. 3- One member by shareholders of class (D):

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

"Ministry of Finance" is amended to read "Prims Ministry" by Law No. 3098, dated December 6, 1984. Remuneration of the Auditing Committee members shall be determined by the Council of Ministors. Travel expenditures to be incurred by those members. The Auditing Committee
Composition, Term of Office and Quainfication
Article 23- Members of the Auditing Committee shall
be elected as follows:

5- to determine the terms and types of deposite, their maturity deter and validity periods:

maturity determine the parity of the national currency against gold and foreign currencies in accordance with sub-paragraph (g) of Anticle 4;

13- to appoint the Bank personnel whose appointments are entrusted to the Board by regulation, and to specify the authorized signatories binding the Bank; 12- to prepare the annual report, balance sheet, budget and the income statements of the Bank, as well as the agenda of the General Assembly; 11- to decide on amicable settlement, release and cancellation of the amounts and values exceeding the limits stated in regulations; 10- to take decipions on the purchase or acquisition of real property needed by the Bank, as well as on the sale when necessary of real property owned by the Bank;

to determine the terms and conditions of credits to be extended by the Bank and the limits on rediscount and advances;

to more a decision on the proposals that the sex await submit to the Prima Melary in containing with sub-paragraph (a) and second aub-sision or sub-paragraph (a) or paragraph (i) and falled (d) as well as on the sause set from by sub-regraph (b) and first authorisation of sub-paragraph) and authorisation of the said paragraph (c) of the said paragraph).

8- to approve the annual cadres of the Bank's personnol; 9- to approve the regulations drafted by the Executive Committee on the administration, organization and services of the Bank; the stock exchange in foreign exchange and precious metals;

to determine the conditions for replacement of bunknotes in circulation by a new issue, as well as their withdrawal from circulation and destruction when necessary;

15. Other than the paragraphs cited above, to take declaions on issues subject to the approval of the Board by virtue of this Law, as well as on issues submitted by the Office of the Governor for examination and approval.

Article 24. The Audemy Committee shall supported all the operations and measurement of Berlin. The Cliffice of the Governor shall be obliged to furnish all the information and columniant requested by the Auditing Committee. The Auditing Committee is shall be also the committee of the Market of the Market of shall also present a copy underto the Market of shall also present a copy meand to the Market of Francisci. The Committee shall such to the Governor Audemiting is report to be drawn up on the operations and accounts of the Bank as the end of this year.

Members of the Audiling Committee shall serve for a term of two years.

Duties and Prohibitions

The Governor may be excused from office through the same procedure applied for hisher appointment, only in cases in which the prohibitions stated in Article 22 are violated and in which there is no longer any possibility for himflar to perform the didless entrusted by this Law. It shall not be considered a violation of the provisions of the first paragraph if the Governor assumes duties at inter-ministerial committee meetings haid at the level of ministers and undersocretaries. 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. Temporary Absence and Discharge Four the Commons shall be appointed to seasif the Common. View Commons shall be appointed by a part of cere for a partic of three years from among persons having consolve a Trighter exclusion and parameters and the common shall be appointed and the common shall be appointed and behavior. View Commons may be responded at the appointing of the appointing of the said term or may be respected in the same manner proof to the term included of the same. Article 30. The Executive Committee shall be composed if the Vice Governors under the chairmenthy of the Covernor in Covernor is unable to chair, the Vice Governor designed by himther shall preside over the Executive Committee. Article 29- (As amended by Decree-Law No. 281) Qualification, Appointment, Duties and Prohibitions (B) Vice Governors Composition, Duties CHAPTER V 21

The Governor shall be entrusted with the following powers: **Duties, Representation and Powers** "Minister of Finance" is amended to read "Prime finister" by Law No. 3098, dated December 6, 1984,

Article 27- The duties of the Governor may not be recombined with any other duty outside the Bank recombined with a first state of a legislative, official or private nature, unless otherwise permitted by a spocial law. Furthermore, the Governor shall not be allowed to engage in trade, nor shall he become a shareholder

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

The Governor shall be appointed for a term of five years by a decree of the Council of Ministers. The Governor may be re-appointed at the expiration of this horn. (A) Governor
Appointment, Qualifications and Term of Office
Article 25- (as amended by Law No. 3570, dated
October 25, 1990)

The Governor may, in the case of halter desert from the detection of the Seart, postpore the execution of any decision and may demand it be reconsidered at the next meeting, in urgent calculate several part of the consideration of the secondary of the consideration to the secondary of the consideration that is also in displacement of a disappression between the displacement can be the secondary of France's shall not seen in this secondary of the secondary of th

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

The Office of the Governor CHAPTER IV

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

11 Organization of Branches
Composition, Duties
Article 31-The organization and duties of the Bank's
Head Office and Branches and the Banknote
22 Decisions of the Executive Committee shall be taken by a majority of all the members. In the event of a tid, the proposal supported by the Governor shall be considered exoprised. The duties of the Executive Committee shall be as follows: 5- to perform such duties related to appointment, salary, dismissal and retirement of the personnel other than those appointed by the Board. 4- to ensure coordination in the operations of the Bank; to draw up regulations on the administration, organization and services of the Bank; The Bank personnel shall be subject to the previsions of this Law and of the regulations to be set forth by the Board.

PART THREE
PROVISIONS FOR BANK PERSONNEL
Status of the Personnel
Actice 23. The Bank personnel wall consist of the
Bank employees as well as the workers of the
Bank employees shall felf to those
persons appointed to person continuously the main
classes that the services of the Bank require.

The lasen "Spek employees of the Bank require.

The shall be personnel of the Bank require.

The shall be personnel of the Bank require.

The shall be personnel of the Bank require.

Severalists that is apply to the unless which Bank
semployees have already established or shall
seatishs. The problemic imposes by Ardies 2 of
than No. 275 dates the Spek require. Printing House, as well as the composition and duties of the Executive Committees of the Branches and Sunknote Printing House shall be determined by regulations.

The Board shall determine any additional remuneration to be paid to the Chairman and Members of the Executive Committee and to the Chairman and Maintees of the Executive Committees of the Boardees and of the Beatroote Printing House for their dullers, provided that the amount may not exceed two-thirds of their salarines.

Salaries of such appointed personnel who are subject to retirement contributions after the date of effectiveness of this Law, shall be determined in accordance with the provisions of paragraph (8) of ancide 15 of Law No. 5434.

Remuneration Policy
Article 33. The salaries and the representation allowances of the Covernor and Vice Covernors of the Bank shall be determined by the Council of Ministers. Native and foreign experts may be employed on a contractual basis by a decision of the Board.

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 occlusion of the workers of the Banknote Printing House. Retirement of Personnel

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 relies. ordical 35-Personnel of the Bank shall be obliged to believe the secret of metters personing to the Bank for to persona and mischerie effects opening with the Bank for the personal wealthin their effects opening and hisch they acquire within their effects opening and take to more positions, are write and to disclose there take to more positions, are write and to disclose them bands, in any marker windscener, to those other has the automatics entitled by airs. desiring the dates they porform, which is mirred for similar dates as specified in the satesy may easily according to the Law on Child sects. The may easily according to the Law on Child sects. The same generated in the dates shall be sected as being executed in the dates subject to the post dimension purposer to Supplementary be not 86 of the Law on Persisten Fundors 5434. Secrecy and Responsibility Replacement of Banknotes
Article 37-a) The Bank may replace the banknotes
in circulation with new issues, when deemed
necessary. The old banknotes withdrawn from circulation shall fall under prescription after ten years from the date the replacement process commences. b) The Bank shall have the power to issue banknotes in connection with the operations stipulated in Articles 45, 46, 46, 50, 51, 52 and 53. 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. Issuance of Banknotes and Obligatory
Circulation DUTIES AND POWERS OF THE BANK CHAPTER 27

> Article 38- (Repealed by Law No: 1264 dated May 28, 1970) Coins

Article 40 (As Amended by Law No. 3056, dated December 6, 1984)

1- The Bank shall:

1) Togolist the volume, type, nature of credits and the conditions for extending credits by taking into Duties and Powers of the Bank in Money and Credit Issues

"Ministry of Finance" is amended to read "Prime Ministry" by the Law No. 3098, dated December 6, 1984.

The date on which the replacement process shall commence as well as the duration of the compulsory circulation of old bankroites within the prescription period of ten years shall be determined by the Board and be published in the Official Gazetta.

The Bank shall announce the rates of radiscount, 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. Article 39- (as amended by Law No. 3098, dated December 6, 1984)

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

Duties and Powers pertaining to the Protection of the Stability of the Turkish Currency.

Matters to be Announced

The Bank shall determine the interest rates to be applied to reserve requirements when deemed necessary and the other terms and conditions related to these reserve requirements. Bank shall determine whenever necessary the position and the ratio of the liquidity requirement the banks must maintain against their mitments.

Banks shall be obliged to deposit in a special account at the Bank within the periods to be

Reserve requirements may never be utilized to finance any project or activity.

This Bank shall impose default interest on banks which fill to opposit him feature requirements when due or within establish them deficiently at a rate to be determined on the additional policy or us which establish the liquidity requirement deficiently at a rate for the liquidity requirement deficiently at a rate for the seasons of the liquidity of the liquidi

d) Other powers and dular (As memoded by Law No. 2005 dated part 2: 1000).
The Bank may, within the framework of substance of the control of the c

The principles determined in sub-paragraph (a) of Paragraph II of this Article shall enter into force through the communiqués to be issued by the Bank.

The proposals to be submitted by the Bank to the Prime Ministry in accordance with the above-stated sub-paragraph (b) and the second pengraph of sub-paragraph (c) shall become effective upon the approval of the Supreme Planning Board and by a decree of the Council of Ministers.

The provisions of sub-principally 4.5 and 5 of Article 89 of the Steining Luw shall see to septiate the Central Stein of the Suppose of Tieving in connection with the same to whole it extends credits in sociocidene with the parasitor.

CHAPTER III

Relations Develope the Tieving to Steining the Steining to Steining to Steining the Steining

come statements along with the reports of their
"Minister of Phoseon" is amended to read "Prime
transer". "Ministry of Phoseon" is amended to read
transer". "Ministry" by Law No. 1098, dated December 6,
884.

Addicts 42. The Minister of Finance* may have the operations and seconate five Bank impedied and succide. The Ministry of Finance* may request any information in his rigid from the Bank.

CHAPATER IV

Request for information and the Centralization of Risks

Authority to Bequest Information, Balance Sheets and the Report of Banks

Authority to Bequest Information, Balance Sheets and the Report of Banks

Authority to Bequest Information, Galance Sheets and the Report of Banks.

Authority to Banks and Ministry of the Report of Banks.

Authority to Bank and Ministry in the obliged to success to the Bank read smult balanced senses and the control to the Bank read smult balanced senses and facility to the Bank read smult balanced senses and facility and the success to the Bank read senses and facility to the Banks and facility to the Ban

*This paragraph is introduced by sub-perograph 3 of Article 12 of Law No: 3088 and became effective as of January 1, 1987. boards of directors and auditors within one in the latest after the date of their general as meetings.

The Bank may request any kind of informats

is of directors and auditors within one month at test after the date of their general assembly ings.

Bank may request any kind of information from anks pertaining to their deposits, credits, foreign mape and other operations. However, no partition may be requested from the banks on the

rticle 44-The Bank shall establish an organization or centralization of risks in order to centralize formation on the risks of the austomers of the anks operating in Turkey. the operations and rescorts of the Organization for the Centralization shall be confidential. The Bank, yorly provide the concerned banks with immation on the risks of that customers and on the who request credits. The forms and conditions requesting and furnishing information; shall be crited in a regulation. shall be obliged to submit all the information sted by the Bank on the risks within the period determined and in the prescribed formulas to perified by the instructions of the Bank. The Bank may, as an exception, be satisfied with two signatures which it considers valid, CHAPTER I

Operations with Credit Institutions

Acceptance of Bills and Documents for
Rediscount and Advance. PART FIVE
OPERATIONS TO BE PERFORMED BY THE
BANK

b) Commercial bills belonging to real and legal persons engaged in industrial and mining activities to be presented by a bank; and

c) Bits to be presented by the banks entitled by law to meet the credit requirements of this tradesine of small businesses, unitsees and antieur guides may be acceptant for melascount subject to storms and conditions stated in sub-paragolph (a) of this Antico, provided that they have a maximum of a months self-before they mature.

The Bank may also grant advances against the bills eligible for rediscount in accordance with the loregoing paragraphs. d) Agricultural bills, the maturities of which do not exceed 9 months, may also be accepted for radiacount like commercial bills.

Article 46 - (as amended by Law No. 3098, dated December 6, 1984) Medium Term Rediscounts and Advances Article 48- (as amended by Law No. 3291, dated May 28, 1986) If the total amount of several bills bearing the same alignatures should exceed the amount stated above, the excess portion shall not be accepted for rediscount or as collateral.

Advance against Bonds

The Bank may grant advances to banks against government bonds and other sound bonds registered with the Slock Exotrage at a maximum rate of a percent of their merical value and for a maximum term of 120 days. However, in a devance may be granted to brinks against the bonds issued by them.

Maximum Amount of Islail, Eligible for Fedicación d' , de ammodel by Lun No. 3090, dated Decimier d' , de ammodel by Lun No. 3090, dated Decimier de greetites to be ammed ou under the provisions of Jellon SI. The Block may not work to reference of Jellon SI. The Block may not souther the medicación or se colations libis and cocumienta conserva deministrat by reference to the amount amount deministrat by reference to the amount before other of the provisional year.

B) The Discount Committee of the Branches: Article 49- A) The Discount Committee of the Head Office: a) To make proposals to the Board on the rediscount, discount and interest rates which the Bank shall apply to its own operations. the total nominal value of the bills and instruments described in Article 45. The Discount Committees of the Head Office and of the Branches examine and regulate credit transactions within overs to be granted by the Board. Committee shall be entrusted with the following

Short-Term Advances to the Treasury
Article 50- (as amended by Law No: 3855, dated
April 21, 1894 to be effective on January 1, 1895) The additional remuneration to be paid to the two members elected to the Discount Committee of the Head Office shall be determined by the Board provided that it cannot exceed the two thirds of their salaries. Operations with the Treasury and Public Institutions CHAPTER

The Discourt Committee of the Branches shall, under the chairmanship of the Director of the Branch, be composed of members to be designated by regulation. instructions to be given by the Office of the Governor.

Actions 6:1- The Bank may discount and gard owners against bords with a maximum meturity of a mortist to be insued by the State Economic Enterprises and Ameritations with a messack to their purchase of momentum as more than the purchase of momentum as more manual purchase of momentum as more manual associated bits, however the total smooth of smooth discounts and almost one to be particled to public metallicine and not exceed that of the advance limit to be oriented of this prompting and their SC. (The sale metallicine) if the prompting of the school of and sections of this prompting of the school of and sections of the school of the s

d) Certificates of deposit issued by banks,

This ratio shall be 10 percent for 1996, 6 percent for 1997 and 3 percent for the subsequent years.

The interest ratio be applied to this advance account shall be determined by the Primis Ministry and the Sanks early study, by saling into consideration the according shall be determined by the Primis Ministry and the Sanks early study, by saling into consideration the according shall be supported.

Credit to Public Institutions c) The bonds registered at the Stock Exchange and issued by joint-stock companies with a minimum pati-in capital of TL. 500 million and the debt instruments of these companies issued by permission of the Capital Market Board. a) Bills having the specifications set forth in sub-paragraphs (a) and (b) of Article 45, With an aim to regulate the money supply and liquidity in the economy, the Bank may purchase and sell, on its own behalf and for its own account; Open Market Operations Article 52- (as amended by Law No. 3281 deted May 28, 1986) b) All types of government paper, and bonds of public administrations and institutions,

The Bank shall have the power to exercise all kinds of control over each redis extended.

The maximum limits of the falls which may be ecopied in the manner, as well as the discount and claves; rates to be applied to them shall be decided by the Board.

tevenue Sharing" and "Profit and Loss Sharing" ficates with a maximum of 120 days left before mature. Operations on Gold and Fereign Exchange
Article 52: a) The Bank may by and sell gold coins
and busine, may impose and except gold and may
also review and great cohomote against gold.
b) The Bank may by, and sell all brods of foreign
activities affect Goldent Gold of may great
activities agreed foreign exchange and may great
activities agreed foreign exchange and may great
activities agreed foreign exchange and greater
mail credit to banks, Moreover, the Bank may revealed The Bank shall have the power to designate the statistical review of the relations washed to the operations covered by this article from among the lease and intermedially withintions specified in Law lease and the control of the control of the combination in the name of the operation. The Bank may be required to combined to the control of the control of the combined on the control of the control of the combined on the control of the control of the combined on with the movey metal operation. The Bank may, on behalf of the Treasury, conduct the organized buying and selling of all kinds of government paper provided that the required provisions are set uside by the Treasury. II- Operations of the Bank as fiscal agent of the Treasury: CHAPTER IV

Article 64- The minimum amount of the lorse and their limits in accordance with the lyape of credits which the Bank shall extend under Anticles 45, 46 and 40 shall be elegant, by sincing into consideration the economic largest, the principles of helicolar mendary policy, the credit demand of the mease, the liquidity of the launding system and the composition of the Seleck portiols.

The Bank may extend credits to correspondent nks in accordance with trade and reimbursement responds ressury shall assume the profits and losses ng from the changes in the values of foreign nge deemed non-convertible by the Bank which bught and sold in accordance with the final mach

c) The Bank may not renew the securities existing in its portfolio.

sil kinds of advances and credits in foreign schange, whether covered or uncovered. The principles and conditions of operations issertitude in this paragraph shall be determined by he Board.

The guarantee to be given for the National Lottery is excluded from this provision. b) The Bank may not, in any manner whatsoever, be a guaranter or provide security.

PART SIX

Operations prohibited for the Bank

Article 56. a) The Bank may not extend oresits and
grant advances without cover except for the
operations clearly authorized by this Law.

Other Operations

Article 65- 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.

Other than the matters specified in this Law, the fix shall neither engage in any business or trade its behalf and for its own account, nor shall st ricipate in other companies and institutions, or buy area of stook or accept them as advances. Bank shall neither accept for discount those and instruments connected solely with the foreign. nk may only print stocks, bonds, stamps, s and foreign banknotes in the Benknote House against payment. In case of necessity this period may be extended by the Ministry of Finance*. Balance Sheet and Report
Article 58- The Bank shall, prior to the meeting of
the General Assortiby, submit to the Ministry of
Finance* the balance sheet and the income
statement along with the annual report to be prepared Article 67- The accounting period of the Bank shall be the calendar year. Accounts of the Bank and Accounting Period for its Balance Sheet CHAPTER

> Article 60- The annual net profit of the Bank shall be fistributed in the following order: Article 59- Provisions, in the amounts deemed paporprise by the Board, may be set aside from the prose annual profit of the Bank in order to meet contingent risks which may occur in the following rears due to the operations exclusive to the Bank.

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

*"Hintity of Finance" is amended to read "Prime Minutry" by Law No. 3098, dated December 6, 1984. \$3

Article 61- in the event of a change in the value of the Turkish currency, the differences, both positive and negative, string from the re-valuation of god and foreign exchange in the sasets and inhibites of the Sank shall be just in the sacets and solutions aspecial account separate from the annual income statements.

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 The terms and conditions of the utilization or redemption of the amount paid into this account shall be determined between the Ministry of Finance" and the Bank.

of a second dividend to the shareholders in the ratio of a maximum of 8 pecent of the nominal value of its share capital by a decision of the denneal Assembly. The balance shall be transferred to the Treasury after this distribution.

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

Bank shall issue a buildin
amounting a brief statement of accounts as of the
end of each week and shall also publish it in the
Official Glootto. ment of the shares at par, 80 percent of the shiring amount shall be transferred to the ernment and 20 percent shall be distributed to shareholders. Article 65. Vieuph-based rieght tariffs ahall spiply to the transportation of all loids of gold cobins, gold bullion and Turkels Lite bashrodes, as well as boats bills and foreign bannous shorous site Sank by makes of Turk Hear Solding to the Sank by Cumhunyel Owed Demit Yolkin, Demittibili Sankass T.A.O., and D.S. Demit Naklysin T.A.O. and D.S. Demit Naklysin Exemplion from Taxes, Dubles and Charges
Article 64. The capital of the Bank, its reserves,
profits scorus on messed of these (3) shares as well
profits scorus on public cent to be imposted by the
Bank can use on a good cent to be imposted by the
Bank can be affected for the Bankonds
Printing Season and the affected for the Bankonds
Printing Season and the Capital Season and the seampt from all index of those, dubes and charges. The Bank shall be exempt from stemp duty as well is from duties and charges of any kind to be paid in connection with all the documents, announcements not other similar items associated with its own anking operations. Tariffs Applicable to the Transportation of Valuables

> 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 domicits. Subsequent changes shall not after the jurisdiction of the court or its enforcement power. Nature of the Books and Records of the Bank Article 85- All kinds of documents, records, books and bills of the Bank and the statements of account based thereupon shall be considered official documents.

In 3 Savin and that responsible organs when do not comply within the requirements when the stated in Anches 43 and 44 of this Law as well as banks which it also seatable in one are a which and the stateble in the stateble and t Article 68- (as amended by Law No. 3291, dated May 28, 1986) In connection with the provisions set done in the above contraption, in a proceeding with communication of the project the set of the project to the mode by the Bank's the Critical of the Public Presecution when a bready of law is observed by the Bank's in other Instances, the presecution shall committee upon a proceed to be presecution shall committee upon a proceed to be forwarded from the Prima Mariatry to the Critica of the Public Presecution shall containing the Bank's coprision. Thereitte, Articles 67 and 68 of the Banking Law shall apply.

The terms "Minister of Finance" and "Ministry of Finance" referred to in Law on the Central Bank of the Republic of Turkey No. 1211, dated January 14, Supplementary Article - (Introduced by Law No. 3098, dated December 6, 1984)

c) Those who violate the provisions of Article 35 of this Law shall be subject to the provisions of Article 83 of the Banking Law.

Provisional Article 6- Treasury bills held in the portfolio of the Bank on the effective date of this Law shall be liquidated in accordance with the principles Provisional Article 4- The duties of other persons employed by the Bank on the effective date of this Law shall continue. ovisional Article 2- As of the effective date of this w, the Germal Director of the Bank shall be designated "Governor and the Assistant General rectors of the Bank motesignated "Vice Governors", of their duties shall continue until the end of their specifie terms of office. Islonal Article 3- Those who are suditors on effective date of this Law shall continue to rm their dutes as members of the Auditing mittee until the end of their terms of office. are amended to read "Prime Minister" and e Ministry' respectively. \$8 The amount corresponding to the TL 10 million shares in question shall be covered all at once from the available provisions with the Bank bafore the first meeting of the General Assembly after the effective date of this Law. Provisional Article 8-The aggregate of the shares corresponding to the TL 10 million increase in the capital which was related from TL 15 million to TL 25 million to accordance with Article 5 of this Law, shall be silocated to class (A). 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.

The Central Bank of the Republic of Turkey is not considered to be a State Sconenic Enterprise and is not subject to audit as seet forth by this Lux. Audien; of this Bank by the Turkets Crimid National Assembly shall be constructed through the commission of the National Budget as referenced in Article 64 of the Constitution." The first peragraph of Article 4 of Law No. 488, deted May 12, 1984 as amminded to read as follows: The administrations, establishments and public professional organizations stated in paragraphs 1 and 2 we 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."

Laws Repealed
Article 69- The following laws are repoaled:
Law on the Replacement of (Bosin)notes by their
Reserves No. 1914 Galled 26.1935 Law on the
Carrier Bank of the Republic of Turkey No. 1715,
dated 11.0.1930 and the following americans is as:

The amounts accumulated in the advance account in 1964 and in the provious periods and the amounts to be utilized between 1965 and 1989 as specified. Adulte 60 shall be liquidated in accordance with the principles to be detarmined between the Prime Ministry and the Bank.

Provisional Article 9- (added by law No: 3985 dated April 21, 1994 to be effective on January 1, 1995)

paragraph 2 of Article 9, as amended by Law No. 302, of Lew No. 2279 on Loams.

Paragraph 3 of Article 4 of Lew No. 488* dated May 12, 1994 is amended to read as follows:

* Law No. 468 is abolished by Law No. 3364 dated April 2, 1987.

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